New Complete Book-Keeping

J. W. White. Dec. 15, 1896.

J. W. White. Dec. 15, 1896

E. P. HEALD, *Pres't.* A. B. CAPP, *Supt.* C. S. HALEY, *Sec'y.*

Healds' Business College,

24 POST STREET, SAN FRANCISCO.

CONDITIONS OF ADMISSION.

The pupil is admitted upon the presumption that he is a gentleman, and he will be treated as such by all connected with the School. But if he contradict this presumption by the non-observance of his Duties or any of the Regulations, or by his conduct in any manner, he will be subject, at any time, to expulsion from the School.

THE STUDENT'S DUTIES

1. To be present promptly at Roll-call, as follows: At 9 o'clock A. M. and 1½ P. M.

2. To be regular and punctual in attendance.

3. To enter and leave the building and school-rooms in a quiet and orderly manner, so as to give no offense to any person, nor to present an unbusiness-like appearance.

4. To proceed quietly and promptly to his seat, place his hat in its proper place, and pursue his work.

5. To be polite, neat, orderly, quiet, prompt, energetic and systematic in all things and at all times.

6. To give his undivided attention to Roll-call, and during its entire time refrain from doing anything else.

7. To hold no communication with any student at any time, or in any place in the College Rooms, without first obtaining the consent of a teacher.

8. To refrain from stopping at the entrance to the College Building, or on the sidewalk on Post Street, anywhere between Kearny and Montgomery Streets, when going to or from School.

9. To bring a written note of excuse from parent or guardian, for all tardiness or absence, as explained in the instructions to students.

10. To bring a written request from parent or guardian, if obliged to leave before the close of any school session.

11. To present a written notice from parent or guardian, in advance, for all intended absence from school.

12. Not to leave his seat without first obtaining written permission from a teacher except to go into a class or speak to a teacher.

13. To keep in good order the desk, seat and drawer appropriated to his use, and to put all waste paper into the basket provided for that purpose.

14. To abstain from smoking, or from the use of tobacco in any form while in or about the College Building.

15. To engage only in his regular studies, except by special permission, and do nothing to interfere with a fellow-student in any way, or in any manner idle away his own time.

16. To call only on his teachers for instruction, and not to copy, or borrow for examination, the work or exercises of any other pupil.

17. To show in every action and movement that he is determined to acquire every necessary qualification for a first-class, honest and industrious business man.

18. To observe all oral or written regulations, (not herein specified) made by the proprietors, or teachers from time to time, for securing good order and rapid advancement.

E. P. HEALD, Pres't. C. S. HALEY, Sec'y

A. B. CAPP, Supt.

HEALD'S BUSINESS COLLEGE,

24 POST STREET, SAN FRANCISCO.

TO THE STUDENT.

Read carefully and observe the rules and regulations of this school, found on this leaf and the front and back covers of the text book on Bookkeeping. By so doing you will keep out of trouble and get full value for your time and money,

CLASSES AND TIME FOR RECITATION.

Penmanship..... (Classroom B).....
Bookkeeping..... (Classroom A).....
Arithmetic.....(Classroom A).....
Spelling..... .....(Classroom B).....
Letterwriting..... (Classroom A).....
Grammar.....(Classroom A).....
Shorthand.....(Classroom C).....
Typewriting ..... (Classroom D).....
Languages..... .....(Classroom B).....
Telegraphy.....(Classroom E .....

Students must report promptly and regularly in the classes to which they have been assigned. No one will be excused therefrom, without passing a satisfactory examination for promotion, or presenting a written permission from parent or guardian to withdraw from the class.

All pupils are expected to spend as much time as possible in study outside of the regular school hours. They must take their books home every night and work as faithfully as if in school. All class lessons must be prepared at home.

No tardiness at school will be permitted, except for causes wholly beyond the control of the pupil. Should this unavoidedly occur, the student must report to the clerk in the office before entering the school-room.

E. P. HEALD & CO.

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THE NEW

THEORETICAL AND PRACTICAL

COMPLETE

BOOK-KEEPING,

BY

DOUBLE AND SINGLE ENTRY,

FOR USE IN

BUSINESS COLLEGES,

COMMON SCHOOLS, HIGH SCHOOLS AND ACADEMIES.

THREE HUNDRED AND THIRTY-FIFTH THOUSAND.

WILLIAMS & ROGERS,

ROCHESTER, N. Y. 1896. CHICAGO, ILL.

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ROCHESTER, N. Y.

PREFACE.

IN these pages will be found the result of the latest and best efforts of the authors to provide a text-book on the theory and practice of book-keeping. The BOOK-KEEPING has been a phenomenally successful book. While it was designed primarily for use in the school from which it emanated, it at once secured popular favor and a wide introduction into other schools. Since its publication, ten years ago, it has been the leading class-book upon this important topic, and has reached the enormous sale of two hundred thousand copies.

The book has been changed and improved in minor parts from time to time as occasion seemed to demand, and during the past two years it has undergone a complete revision. The first part of the book was revised during the past year, and the tests given it by many teachers have fully demonstrated the wisdom of the changes which were made. The revision of the advanced portion of the book has just been completed, after much careful study, patient investigation, extended research among business houses, consultation with commercial teachers, and thorough tests of the matter selected; and it is presented to the public with confidence that it will be found thoroughly practical, replete with the best ideas of the day on the subject, and presented in a logical and teachable manner.

It is the design of this work that the student's mind shall be constantly directed to the matter in hand — that of learning practical book-keeping — and not become confused by theories that can be of no possible use to him in pursuing the course of study, nor of the least value to him in after life. As in the former work, therefore, it has been the aim to avoid unnecessary theorizing, yet to give a competent reason for every step to be taken, in the belief that the pupil, if he have the ability to master the subject under any circumstances, will be able to secure from the explanations and illustrations given, a thorough knowledge of the science of accounts.

The claim made for this work to superiority over other publications of its character, is based, particularly, upon the manner in which the transactions selected as a basis of the student's work have been graded, the fullness of explanation of every step to be taken, the placing of such explanations in immediate proximity to the transactions, the system of references to the illustrations adopted, the encouragement to progress in penmanship afforded by the engraved pages, the ability of the pupil to rely upon himself, and the material lessening of the labor of the teacher.

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Double Entry Book-Keeping.

BOOK-KEEPING [1] is a record of business transactions. [2] The object of such record is to enable the proprietor to determine, at any time, the true condition of the business.

[3] The two methods of book-keeping in use are termed [4] *Double Entry* and *Single Entry*. The following explanations refer to Double Entry. Single Entry will be explained and illustrated later.

[5] **Double Entry Book-keeping** in its original and simplest form makes use of three books, called *Day Book, Journal,* and *Ledger.*

[6] The **Day Book,** or **Blotter** as it is sometimes called, contains a statement of the business transaction in detail. [7] The record should be made as soon as the transaction takes place, [8] to guard against errors which might be occasioned by a delay in making the entry.

[9] The **Journal** contains the Debits and Credits, taken from the Day Book, and arranged in a form convenient for transferring to the Ledger. [10] Deciding upon and arranging the debits and credits in the Journal is called *Journalizing.* [11] There are four forms in which journal entries may appear: (1) *One debit and one credit.* (2) *Two or more debits and one credit.* (3) *Two or more credits and one debit.* (4) *Two or more debits and two or more credits.* [12] In every journal entry the sum of the debits and the sum of the credits must be equal. [13] The Day Book and Journal may be combined, [14] by writing the particulars regarding the transaction in connection with the journal entry.

[15] The **Ledger** contains the final results, [16] which are exhibited by collecting all debits and credits having the same name under one heading. [17] Such a collection of debits and credits is called an *Account.* [18] The left side of an account is the *Debit,* and [19] the right side the *Credit.* [20] Transferring the debits and credits from the Journal to the Ledger is called *Posting.*

[21] The terms **Debit** and **Credit,** are abbreviated *Dr.* and *Cr.*

Other books than those described above are generally employed in double entry book-keeping; as, *Cash Book, Sales Book, Bill Book, Invoice Book,* etc., and when used they modify or limit the scope of the Day Book and Journal.

[22] The books employed in double entry are classed as *Principal* and *Auxiliary.*

[23] A **Principal Book** is one *from* which or *to* which entries are posted. [24] All others are Auxiliary books.

[25] In double entry book-keeping there are three kinds of accounts: accounts with *Persons,* accounts with *Property,* and accounts representing *Allowances* made to us, or made by us, from which we realize Gains or sustain Losses; as, *Interest, Discount, Exchange, Premium, Storage, Commission, Expenses,* etc.

Note.—It is not expected that the pupil will *commit to memory,* at this time, the definitions and rules, as he will do this more easily and with a much better understanding of their application if he learn the rules as he has occasion to apply them in connection with the work to be performed.

It is desirable, however, that the definitions, rules, illustrations, and the questions following them, be carefully studied before entering upon the regular work of the sets, beginning on page 20.

The debits and credits in any business transaction may be determined by the following

General Rule.—*Debit whatever costs value. Credit whatever produces value.*

GENERAL RULES FOR JOURNALIZING.

[26] PERSONS ARE DEBITED,

[a] *When they get into our debt; and*
[b] *When we get out of their debt.*

[27] PERSONS ARE CREDITED,

[a] *When we get into their debt; and*
[b] *When they get out of our debt.*

[28] PROPERTY IS DEBITED,

Under an appropriate title, as Mdse., Real Estate, Cash, etc., when it comes into our possession.

[29] PROPERTY IS CREDITED,

Under its appropriate title, when it goes out of our possession.

[30] ALLOWANCES ARE DEBITED,

Under appropriate titles, as Interest, Exchange, Commission, etc., when made by us.

[31] ALLOWANCES ARE CREDITED,

Under their appropriate titles, when made to us.

The three kinds of accounts mentioned above are divided into [32] *two general classes,* [33] one class showing Gains and Losses, [34] and the other Resources and Liabilities.

[35] LOSSES.

An account exhibits a *Loss,* if that which it represents has cost us more than it has produced.

[36] GAINS.

An account exhibits a *Gain,* if that which it represents has produced us more than it has cost.

[37] RESOURCES.

An account exhibits a *Resource,* if it represents property on hand, or an amount owing to us.

[38] LIABILITIES.

An account exhibits a *Liability,* if it represents an amount owing by us.

[39] The excess in an account showing either a Resource or a Loss will be on the *debit side,* and [40] the excess in an account showing either a Liability or a Gain will be on the *credit side.*

QUESTIONS.

[26] When are persons debited? [27] When credited? [28] When is property debited? [29] When credited? [30] When are allowances debited? [31] When credited? [32] Into how many *general* classes are accounts divided? [33-34] What does each show? [35] When does an account show a Loss? [36] When a Gain? [37] When a Resource? [38] When a Liability? [39] Which side of accounts showing Resources and Losses is the larger? [40] Of accounts showing Liabilities and Gains?

SPECIAL RULES FOR JOURNALIZING.

The following additional rules, definitions, and explanations are given to supplement and emphasize the foregoing general rules, as a further aid to the student in the work of journalizing.

THE PROPRIETOR.

[41] The person engaging in business has an account opened under his own name, in which are to be entered the sum or sums by him invested and withdrawn, and, at stated periods, the net gain or net loss resulting from the prosecution of the business. [42] The title STOCK is sometimes used instead of the proprietor's name. Explanations for a co-partnership will be given later.

RULE.

[43] DEBIT THE PROPRIETOR,

[a] *For his liabilities assumed by the business;*
[b] *For amounts drawn from the business for his private use; and*
[c] *For the net loss.*

[44] CREDIT THE PROPRIETOR,

[a] *For his investment at commencing business;*
[b] *For subsequent investments; and*
[c] *For the net gain.*

[15] The difference between the sides of the proprietor's account at *commencing* business is called the *Net Investment.* [16] The difference in the account at the *close* of business, after the net gain or net loss has been transferred to it, is called the *Net Worth,* or *Present Worth.*

ILLUSTRATION

Dr. LORENZO H. FAIRCHILD (Proprietor). *Cr.*

For a liability assumed and to be paid out of the business,	500.00	For his investment at commencing business,	5000.00
For an amount drawn by him for his private use,	800.00	For a subsequent investment,	1000.00
	1300	For the net gain,	575.00
			6575

Total credit to proprietor's account, as per footing,	6575.00
" debit " " " "	1300.00
The difference is the proprietor's Present Worth,	$5275.00

QUESTIONS.

[44] For what is the proprietor credited? [43] For what is he debited? [45] What is the difference between the sides of the proprietor's account at commencing business called? [46] What is the difference called after the net gain or net loss has been entered in the account? [42] What title is sometimes used instead of the proprietor's name?

PERSONAL ACCOUNTS.

[47] If a person buys goods from us, to be paid for at a future time, he gets into our debt. [48] At the time he pays for them he gets out of our debt. [49] If we buy of a person in like manner we get into his debt. [50] At the time we pay him we get out of his debt. Therefore, for personal accounts, we have the

RULE.

[51a] *Debit a person when he gets into our debt,*
also
[51b] *Debit a person when we get out of his debt, in full or in part.*

[52a] *Credit a person when he gets out of our debt, in full or in part.*
also
[52b] *Credit a person when we get into his debt.*

[53] When a person buys goods, without paying for them at the time of purchase, the transaction is said to be On Account. [54] If the debit side of a personal account is larger than the credit, he owes us the difference, and this difference is [55] a Resource. [56] If the credit side of a personal account is larger than the debit, we owe him the difference, and this difference is [57] a Liability.

ILLUSTRATIONS.

Dr. JAMES W. HARDING. *Cr.*

SOLD HIM ON ACCOUNT.		RECEIVED FROM HIM ON ACCOUNT.	
10 bbls. Sugar,	90.00	Cash,	150.00
10 ch. Japan Tea,	150.00	"	50.00
5 bags Coffee,	100.00		200
	340		

Total amount of goods sold him on account, as shown by the debit footing,	340.00
Total amount of cash received from him on account, as shown by the credit footing,	200.00
The difference shows what he still owes us (a Resource),	140.00

Dr. H. W. Wood & Co. *Cr.*

PAID THEM ON ACCOUNT.		BOUGHT OF THEM ON ACCOUNT.	
Cash,	150.00	50 bbls. Flour,	250.00
"	100.00	20 " Sugar,	150.00
	250		400

Total amount of goods bought of them on account, as shown by the credit footing, ... 400.00
Total amount of cash paid them on account, as shown by the debit footing. 250.00

The difference shows what we still owe them (a Liability), ... 150.00

QUESTIONS.

[51 a, b] When is a person to be debited? [52 a, b] When credited? [53] If a person buys goods and does not pay for them at the time of purchase, what is said of the transaction? [54] When a person's account is debited more than it is credited, does he owe us, or do we owe him? [55] Is the difference a resource or a liability? [56] How is it when the credit side of a person's account is the larger? [57] Is the difference a liability or a resource?

CASH.

[58] Under this title everything considered money is to be entered: as, [59] Specie, Bank Bills, Sight Drafts, Postal Orders, etc.

RULE.

[60] *Debit cash when it is received.* | [61] *Credit cash when it is paid out.*

[62] The difference between the sides of Cash account will show the cash on hand. [63] Cash on hand is a Resource. [64] The credit side of Cash account cannot be greater than the debit side, because [65] more cash cannot be paid out than has been received.

ILLUSTRATION.

Dr. Cash. *Cr.*

RECEIVED.		PAID OUT.	
For 50 bbls. Flour,	300.00	For Rent of Store,	100.00
" 20 " Pork,	200.00	" 200 bbls. Salt,	300.00
" J. B. Jones' acct.,	150.00		400
	650		

Total amount of cash received, as shown by the debit footing, ... 650.00
" " " paid out, " " " credit " 400.00

The difference shows the cash on hand (a Resource), ... 250.00

QUESTIONS.

[58] What is to be entered in the Cash account? [59] What is considered money? [60] When is Cash debited? [61] When credited? [62] What does the difference between the sides of the Cash account show? [63] Is cash on hand a resource or a liability? [64] Which side of Cash account must be greater when there is any difference? [65] Why?

MERCHANDISE.

[66] This title is applied usually to all goods the proprietor is dealing in as a business. [67] If it is desired to show results in detail, separate accounts must be opened: as, Flour, Corn, Wheat, etc., instead of including all under the general heading, Merchandise.

RULE.

[68] *Debit Mdse. for the cost of the goods bought.* | [69] *Credit Mdse. for the proceeds from goods sold.*

[70] Since the debit side of Mdse. shows what the goods cost, and the credit side what they sell for, the difference must show the gain or loss — providing the goods have all been sold. [71] When a portion of the goods remains unsold, deduct their value from the debit side—or add it to the credit side—and the difference between the sides, after this has been done, will show the gain or loss? [72] If the credit side of the account is the larger, the difference is a gain; [73] if the debit side is the larger, the difference is a loss. [74] Property remaining unsold is called an Inventory.

ILLUSTRATION.

Dr. MERCHANDISE. *Cr.*

GOODS BOUGHT.		GOODS SOLD.	
50 bbls. Flour,	250.00	50 bbls. Flour,	300.00
30 " Beef,	300.00	20 " Pork,	200.00
20 " Pork,	160.00		500
	710		

Inventory, 30 bbls. Beef remaining unsold (a Resource), ... 300.00

Total proceeds from sales, as shown by the credit footing,		500.00
Total cost of goods, as shown by the debit footing,	710.00	
Deducting value of goods remaining unsold (Inventoried at cost),	300.00	
Gives the cost of the goods sold,		410.00
This, deducted from the proceeds from sales, gives the gain,		90.00

QUESTIONS.

[66] To what is the title Merchandise applied? [67] Why are separate accounts sometimes opened with the different articles, instead of including them all under the general heading Merchandise? [68] For what is Mdse. debited? [69] For what credited? [70] What does the difference between the debit and credit sides show? [71] When a portion of the goods remain unsold, what must be done to find the gain or loss? [74] What is property remaining unsold called? [72] When the credit side of Mdse. is larger than the debit, does the difference show a gain or a loss?

BILLS RECEIVABLE.

[75] Under this title are to be entered the written promises of other parties, payable at a future time, which come into our possession: as, Notes and Time Drafts.

RULE.

[76] *Debit Bills Receivable when received.* | [77] *Credit Bills Receivable when disposed of.*

[78] The difference between the sides of the account will show the Bills Receivable on hand. [79] The amount of Bills Receivable on hand is a Resource. [80] The credit side of the Bills Receivable account can never be larger than the debit, because a greater amount cannot be disposed of than has been received. [81] Bills Receivable account is debited and credited with the face value of the bills, [82] the account will therefore balance when all have been disposed of.

ILLUSTRATION.

Dr. BILLS RECEIVABLE. *Cr.*

RECEIVED.		DISPOSED OF.	
Jno. Smith's note,	600.00	Smith's note paid at maturity,	600.00
Boyd & Sons "	1000.00	Boyd & Sons note discounted at Bank,	1000.00
Draft on Jones & Co., 60 ds.,	200.00		1600
	1800		

Total Bills Receivable received as shown by the debit footing of the account, ... 1800.00
" " " disposed of " " credit " " " 1600.00

The difference shows the Bills Receivable on hand (a Resource), ... 200.00

QUESTIONS.

[75] What are included under the title Bills Receivable? [76] When is Bills Receivable account debited? [77] When credited? [80] Why cannot the credit side of Bills Receivable account be larger than the debit? [78] What does the difference in Bills Receivable account show? [79] Is the amount of Bills Receivable on hand a Resource or Liability? [82] When will the account balance?

BILLS PAYABLE.

[83] Under this title are to be entered our own written promises issued to other parties, payable at a future time: as, Notes and accepted Time Drafts.

RULE.

[84] *Debit Bills Payable when redeemed.*

[85] *Credit Bills Payable when issued, that is, when given.*

[86] The difference between the sides of the account will show the amount of Bills Payable outstanding. [87] The amount outstanding is a Liability. [88] The debit side of Bills Payable account cannot be larger than the credit, [89] because a greater amount cannot be redeemed than has been issued. [90] Bills Payable account is credited and debited for the face value of the bills. [91] The account will therefore balance when all have been redeemed.

ILLUSTRATION.

Dr. BILLS PAYABLE. *Cr.*

REDEEMED.		ISSUED.	
Note favor of Potter paid,	500.00	Note favor of Geo. Potter,	500.00
Acceptance favor of Brown paid,	180.00	Accepted Draft favor of A. Brown,	180.00
	680	Note favor of E. P. Reed,	400.00
			1080

Total Bills Payable issued as shown by the credit footing of the account, ... 1080.00
Total Bills Payable redeemed " " debit " " " " 680.00

The difference shows the Bills Payable outstanding (a Liability), ... 400.00

QUESTIONS.

[83] What are included under the title Bills Payable? [85] When is Bills Payable account credited? [84] When debited? [88 89] Why cannot the debit side of Bills Payable account be larger than the credit? [86] What does the difference in Bills Payable account show? [87] Is the amount outstanding a Liability or a Resource? [91] When will Bills Payable account balance?

EXPENSE.

[92] Under this title are to be entered all amounts expended for carrying on the business: as, Rent, Office Books and Office Furniture, Clerks' Salaries, etc. [93] If it is desired to show results in detail, separate accounts must be kept with Salaries, Rent, Office Furniture, etc., instead of including them all under the general heading Expense.

RULE.

[94] *Debit Expense with any outlay for carrying on the business.*

[95] *Credit Expense with returns on anything previously debited to Expense.*

[96] Expense account generally shows a loss.

ILLUSTRATION.

Dr. EXPENSE. *Cr.*

EXPENDITURES.		RETURNS.	
For Rent,	100.00	From Office Desk sold,	40.00
" Office Desk,	50.00		
" " Books,	10.00		
	160		

Total expenditures as shown by the debit footing of the account,	160.00
" returns " " credit " " "	40.00
The difference shows the loss,	120.00

QUESTIONS.

[92] What is to be entered under the title Expense? [93] What must be done if it is desired to exhibit results in detail? [94] For what is Expense debited? [95] For what credited? [96] What does Expense account generally show?

INTEREST AND DISCOUNT.

[97] Interest is the compensation allowed for the use of money. [98] Discount is the allowance made for the payment of a debt before it is due.

RULE.

[99] *Debit Interest and Discount when allowed to others.*

[100] *Credit Interest and Discount when allowed to us.*

[101] When the debit side of the account is the larger, the difference is a Loss. [102] When the credit side is the larger, the difference is a Gain. [103] The above rule will apply also to Exchange, Premium, Collection, Storage, Commission, etc.

ILLUSTRATION.

Dr. INTEREST AND DISCOUNT. *Cr.*

ALLOWED TO OTHERS.		ALLOWED TO US.	
Discount on Boyd & Son's Note,	10.00	Interest on Smith's Note,	12.00
Interest on Potter's "	5.00		
	15		

Total allowed to others, as shown by the debit footing,	15.00
" " " us " " credit "	12.00
The difference shows the loss,	3.00

QUESTIONS.

[97] What is Interest? [98] What is Discount? [99] When are Interest and Discount debited? [100] When credited? [101] When the debit side of the account is the greater, is the difference a loss or a gain? [103] To what other accounts will the above rule apply?

EXAMPLES IN JOURNALIZING.

NOTE.—The following twenty-seven examples, representing a series of business transactions, are designed to illustrate the application of the principles embodied in the foregoing General and Special Rules, and to serve as references to aid the student in the work of journalizing. These examples are not to be written up, but should be carefully studied by the student in the following manner: First read the Day Book Record for the business transaction; next see what Journal Entry is made for it; next consult the rules and principles governing the journal entry, as per reference figures under each example; next trace the posting of the journal entry to the proper Ledger accounts as indicated by the reference figures. Explanations are given under a few, and reference figures under all of the examples, to indicate how this work is to be performed.

By carefully observing the foregoing instructions, the pupil will easily and quickly master the principles of debit and credit, and the results to be secured through their application will be made clear to him.

EXAMPLE No. 1.

DAY BOOK RECORD.	ITEMS.	TOTAL.	JOURNAL ENTRY FOR SAME.	DR.	CR.
J. T. Smith commenced business this day, and invested Cash,		5000	Cash,	5000	
			To J. T. Smith,		5000

By applying the principles and rules given on the preceding pages, to the business transaction shown in the above Day Book record, we find that there is involved in it a debit, Cash, and a credit, J. T. Smith.

Cash is Dr. because it comes into the business; it is received (*60, page 8*).

J. T. Smith is Cr. because he is the proprietor of the business and should be credited for his investment (*44, page 6*).

After the debit and credit have been decided upon they are entered in the Journal as shown above, the debit being placed in the left-hand column and the credit in the right-hand column. Deciding upon and entering the debits and credits in the Journal is called journalizing (*10, page 5*).

In due time the debit and credit contained in the above journal entry will be transferred to the Ledger, the debit amount being entered on the left or Dr. side of the Cash account (*see Cash account, page 17*), and the credit amount on the right or Cr. side of J. T. Smith's account (*see Smith's account, page 17*). Transferring the debits and credits from the Journal to the Ledger is called posting (*20, page 5*).

EXAMPLE No. 2.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Bought of J. E. Morse, for Cash,			Mdse.,	1200	
200 bbls. Flour, at 6.00,		1200	To Cash,		1200

We find that the above transaction contains a debit, Merchandise, and a credit, Cash.

Ques. Why is Mdse. Dr.? *Ans.* Because it is bought and costs value.

Ques. Why is Cash Cr.? *Ans.* Because it is paid out and produces value.

Ques. How will the above journal entry be posted. *Ans.* On the Dr. side of Merchandise (*see Mdse. account, page 18*), and on the Cr. side of Cash (*see Cash account, page 17*).

Ques. What is shown by the debit side of the Mdse. account in the Ledger? *Ans.* The cost of the Mdse. bought (*see footing of Dr. side of Mdse. account, page 18*).

Ques. What is shown by the credit side of Cash account in Ledger? *Ans.* The amount of Cash paid out (*see footing of Cr. side of Cash account, page 17*).

EXAMPLE No. 3.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Sold Geo. Andrews, for Cash,			Cash,	337 50	
50 bbls. Flour, at 6.75,		337 50	To Mdse.,		337 50

Ques. In above transaction, why is Cash Dr.? *Ans.* Because it is received and costs value.

Ques. Why is Mdse. Cr.? *Ans.* Because it is sold and produces value.

Ques. How will the above journal entry be posted? *Ans.* On the Dr. side of Cash (*see Cash account, page 17*), and on Cr. side of Mdse. (*see Mdse. account, page 18*).

Ques. What is shown by the debit side of Cash account in the Ledger? *Ans.* The amount of Cash received (*see footing of Dr. side of Cash account, page 17*).

Ques. What is shown by the credit side of Merchandise account in the Ledger? *Ans.* The amount produced from sales of merchandise (*see footing of Cr. side of Mdse. account, page 18*).

REMARK.—The student will observe that amounts which appear in the left-hand or Dr. column in the Journal are invariably posted to the left or Dr. side of the Ledger, under the title standing opposite the amount in the Journal; and those amounts in the right-hand or Cr. column in the Journal are posted to the right or Cr. side of the Ledger, under the title standing opposite the amount.

EXAMPLE No. 4.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Bought of E. N. French, on account,			Mdse.,	1450	
100 bbls. Beef, at 14.50,	1450		To E. N. French,		1450

Mdse. *For journalizing principle, see 68, page 9. For Ledger account, see page 18.*
E. N. French. *For journalizing principle, see 52b, page 7. For Ledger account, see page 18.*

REMARK.—Under the remaining examples only reference figures will be given to the principles involved, and to the Ledger illustrations. It is expected that the student will, in the study of each example, follow out the plan of questions and answers outlined under examples No. 2 and No. 3.

EXAMPLE No. 5.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Sold Reed & Mills, on account,			Reed & Mills,	1150	
50 bbls. Flour, at 7.00,	350		To Mdse.,		1150
50 " Beef, 16.00,	800	1150			

Reed & Mills. *For journalizing principle, see 51a, page 7. For Ledger account, see page 18.* Merchandise. *For journalizing principle, see 69, page 9. For Ledger account, see page 18.*

EXAMPLE No. 6.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Paid rent of store in Cash,		50	Expense,	50	
			To Cash,		50

Expense. *For journalizing principle, see 94, page 11; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 7.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Paid E. N. French, cash to apply on account,		450	E. N. French,	450	
			To Cash,		450

E. N. French, *principle 51b, page 7; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 8.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Received cash of Reed & Mills, to apply on account,		200	Cash,	200	
			To Reed & Mills,		200

Cash, *principle 60, page 8; Ledger account, page 17.* Reed & Mills, *principle 52a, page 7; Ledger account, page 18.*

EXAMPLE No. 9.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Bought of E. D. Harris,			Mdse,	1200	
100 bbls. Pork, at 12.00,		1200			
Gave my note at 10 days			To Bills Payable,		1200
in payment,					

Mdse., *principle 68, page 9; Ledger account, page 18.* Bills Payable, *principle 85, page 10; Ledger account, page 18.*

EXAMPLE No. 10.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Received of Reed & Mills,			Bills Receivable,	600	
their note at ten days,					
to apply on account,		600	To Reed & Mills,		600

Bills Receivable, *principle 76, page 9; Ledger account, page 18.* Reed & Mills, *principle 52a, page 7; Ledger account, page 18.*

EXAMPLE No. 11.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Gave E. N. French my			E. N. French,	500	
note at ten days, with					
interest, to apply on			To Bills Payable,		500
account,		500			

E. N. French, *principle 51b, page 7; Ledger account page 18.* Bills Payable, *principle 85, page 10; Ledger account, page 18.*

EXAMPLE No. 12.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Sold Chas. Hamlin,					
50 bbls. Flour, at 7.00,	350		Bills Receivable,	1050	
50 " Pork, 14.00,	700	1050			
Rec'd payment by his			To Mdse.,		1050
note at ten days, with					
interest,					

Bills Receivable, *principle 76, page 9; Ledger account, page 18.* Mdse., *principle 69, page 9; Ledger account, page 18.*

EXAMPLE No. 13.

DAY BOOK RECORD.				JOURNAL ENTRY FOR SAME.		
Sold F. E. Clark,				Cash,	150	
25 bbls. Beef, at 16.00,		400	See note below.	F. E. Clark,	250	
Rec'd in payment, Cash,	150					
Balance on account,	250			To Mdse.,		400

Cash, *principle 60, page 8; Ledger account, page 17.* F. E. Clark, *principle 51a, page 7; Ledger account, page 18.* Mdse., *principle 69, page 9; Ledger account, page 18.*

NOTE.—The above form is equivalent to making Clark Dr. 400 and Mdse. Cr. 400 in one entry, and then making a second entry, Cash Dr. 150, Clark Cr. 150; and if it were desired to show the volume of Clark's purchases in his Ledger account, the two entries would be necessary. For the present purposes of illustration of the principles of debit and credit, however, in which the Cash Book is not introduced, the Journal form given above is preferred.

EXAMPLE No. 14.

DAY BOOK RECORD.

Bought of Milo Sage,				
300 bbls. Flour, at 6.50,		1950		See note below Ex. No. 13.
Paid him Cash,	950			
Balance on account,	1000			

JOURNAL ENTRY FOR SAME.

Mdse.,	1950	
To Cash,		950
" M. Sage,		1000

Mdse., *principle 68, page 9; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.* M. Sage, *principle 52b, page 7; Ledger account, page 19.*

EXAMPLE No. 15.

DAY BOOK RECORD.

Bought of W. E. Holt,			
200 bbls. Beef, at 13.00,		2600	
Paid him Cash,	600		
My note at 15 days for			
balance,	2000		

JOURNAL ENTRY FOR SAME.

Mdse.,	2600	
To Cash,		600
" Bills Payable,		2000

Mdse., *principle 68, page 9; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.* Bills Payable, *principle 85, page 10; Ledger account, page 18.*

EXAMPLE No. 16.

DAY BOOK RECORD.

Bought Safe for Office,			
and paid for same in			
Cash,		200	

JOURNAL ENTRY FOR SAME.

Expense,	200	
To Cash,		200

Expense, *principle 94, page 11; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 17.

DAY BOOK RECORD.

Sold A. D. Larkin,			
50 bbls. Flour, at 7.50,	375		
25 " Beef, 16.00,	400	775	
Rec'd in payment, Cash,	275		
His note at two months			
for balance,	500		

JOURNAL ENTRY FOR SAME.

Cash,	275	
Bills Receivable,	500	
To Mdse.,		775

Cash, *principle 60, page 8; Ledger account, page 17.* Bills Receivable, *principle 76, page 9; Ledger account, page 18.* Mdse., *principle 69, page 9; Ledger account, page 18.*

EXAMPLE No. 18.

DAY BOOK RECORD.

J. T. Smith drew cash			
from the business for			
private use,		350	

JOURNAL ENTRY FOR SAME.

J. T. Smith,	350	
To Cash,		350

J. T. Smith, *principle 43, page 6; Ledger account, page 17.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 19.

DAY BOOK RECORD.

Rec'd of F. E. Clark, to			
balance account,			
Cash,	100		
His note at 45 days for	150	250	

JOURNAL ENTRY FOR SAME.

Cash,	100	
Bills Receivable,	150	
To F. E. Clark,		250

Cash, *principle 60, page 8; Ledger account, page 17.* Bills Receivable, *principle 76, page 9; Ledger account, page 18.* F. E. Clark, *principle 52a, page 7; Ledger account, page 18.*

EXAMPLE No 20.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Paid M. Sage, to apply on account, Cash,	250		M. Sage,	750	
My note at 30 days, with interest,	500	750	To Cash,		250
			" Bills Payable,		500

M. Sage, *principle 51b, page 7; Ledger account, page 19.* Cash, *principle 61, page 8; Ledger account, page 17.* Bills Payable, *principle 85, page 10; Ledger account, page 18.*

EXAMPLE No. 21.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Paid my note of the 10th inst., in favor of E. D. Harris, in Cash,		1200	Bills Payable,	1200	
			To Cash,		1200

Bills Payable, *principle 84, page 10; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No 22.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Rec'd cash of Reed & Mills, for their note of 11th inst., due to-day,		600	Cash,	600	
			To Bills Receivable,		600

Cash, *principle 60, page 8; Ledger account, page 17.* Bills Receivable, *principle 77, page 9; Ledger account, page 18.*

EXAMPLE No. 23.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Paid my note of 12th inst, in favor of French, due to-day, with interest, in Cash,		501 08	Bills Payable,	500	
			Interest,	1 08	
Face of note,	500		To Cash,		501 08
Interest to date,	1 08				

Bills Payable, *principle 84, page 10; Ledger account, page 18.* Interest, *principle 99, page 11; Ledger account, page 19.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 24.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Rec'd cash of Chas. Hamlin, for his note of 13th inst., due to-day, with interest,		1052 28	Cash,	1052 28	
			To Bills Receivable,		1050
Face of note,	1050		" Interest,		2 28
Interest to date,	2 28				

Cash, *principle 60, page 8; Ledger account, page 17.* Bills Receivable, *principle 77, page 9; Ledger account, page 18.* Interest, *principle 100, page 11; Ledger account, page 19.*

EXAMPLE No. 25.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Prepaid my note of 17th inst., in favor of W. E. Holt,	2000		Bills Payable,	2000	
Discount off,	2 67		To Discount,		2 67
Paid balance in Cash,	1997 33		" Cash,		1997 33

Bills Payable, *principle 84, page 10; Ledger account, page 18.* Discount, *principle 100, page 11; Ledger account, page 19.* Cash, *principle 61, page 8; Ledger account, page 17.*

EXAMPLE No. 26.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
A. D. Larkin prepaid his note of 19th inst.,	500		Discount,	4 33	
Discount off,	4 33		Cash,	495 67	
Rec'd balance in Cash,	495 67		To Bills Receivable,		500

Discount, *principle 99, page 11; Ledger account, page 19.* Cash, *principle 60, page 8; Ledger account, page 17.* Bills Receivable, *principle 77, page 9; Ledger account, page 18.*

EXAMPLE No. 27.

DAY BOOK RECORD.			JOURNAL ENTRY FOR SAME.		
Paid Clerks' Salaries to date, in Cash,	100		Expense,	100	
			To Cash,		100

Expense, *principle 94, page 11; Ledger account, page 18.* Cash, *principle 61, page 8; Ledger account, page 17.*

LEDGER.

Dr. J. T. SMITH. *Cr.*

Ex. No.	18		350		Ex. No.	1	Total credit, 5000		5000	
							" debit, 350			
							Net credit, 4650			

Dr. CASH. *Cr.*

Ex. No.	1		5000		Ex. No.	2		1200		
"	3		337	50	"	6		50		
"	8		200		"	7		450		
"	13		150		"	14		950		
"	17		275		"	15		600		
"	19		100		"	16		200		
"	22		600		"	18		350		
"	24		1052	28	"	20		250		
"	26		495	67	"	21		1200		
		Cash rec'd, 8210.45	8210	45	"	23		501	08	
		" paid out, 7848.41			"	25		1997	33	
					"	27		100		
		Bal. on hand, 362.04						7848	41	

MERCHANDISE.

Dr.				Cr.				
Ex. No. 2		1200		Ex. No. 3			337	50
" 4		1450		" 6			1150	
" 9		1200		" 12			1050	
" 14		1950		" 13			400	
" 15		2600		" 17	Proceeds from sales,	3712.50	775	
		8400					3712	50
	Inventory.				Total cost, 8400			
	350 bbls. Flour, 2100				Less inventory, 5600,	2800.		
	200 " Beef, 2900							
	50 " Pork, 600				Gain,	912.50		
	(Resource), 5600							

E. N. FRENCH.

Dr.				Cr.			
Ex. No. 7		450		Ex. No. 4			1450
" 11		500					
		950			We got into his debt,	1450	
					We got out of his debt,	950	
					We still owe him, (Liability),	500	

REED & MILLS.

Dr.				Cr.			
Ex. No. 5		1150		Ex. No. 8			200
				" 10			600
							800
	They got into our debt,	1150					
	They got out of our debt,	800					
	They still owe us, (Resource).	350					

EXPENSE.

Dr.				Cr.			
Ex. No. 6		50					
" 16		200					
" 27	Total outlay 350	100					
		350					
	Less safe on hand, Inventory, (Resource), 200						
	Loss, 150						

BILLS PAYABLE.

Dr.				Cr.			
Ex. No. 21		1200		Ex. No. 9			1200
" 23		500		" 11			500
" 25		2000		" 15			2000
		3700		" 20	Issued,	4200	500
					Redeemed,	3700	4200
					Outstanding, (Liability).	500	

BILLS RECEIVABLE.

Dr.				Cr.			
Ex. No. 10		600		Ex. No. 22			600
" 12		1050		" 24			1050
" 17		500		" 26			500
" 19		150					2150
	Received, 2300	2300					
	Disposed of, 2150						
	On hand (Resource), 150						

F. E. CLARK.

Dr.				Cr.			
Ex. No. 13		250		Ex. No. 19			250

Dr. MILO SAGE. *Cr.*

Ex. No.	20			750	Ex. No.	14	We got into his debt, 1000 We got out of his debt, 750 We still owe him, (Liability). 250		1000

Dr. INTEREST. *Cr.*

Ex. No.	23			1 08	Ex. No.	24	Allowed to us, 2.28 Allowed to others, 1.08 Gain, 1.20		2 28

Dr. DISCOUNT. *Cr.*

Ex. No.	26	Allowed to others, 4.33 Allowed to us, 2.67 Loss, 1.66		4 33	Ex. No.	25			2 67

The following is a statement of the Losses, Gains, Resources and Liabilities exhibited by the accounts of the foregoing Ledger, and shows the Proprietor's Net Gain and Present Worth.

STATEMENT.

Losses.		Gains.		
Expense (*see account, page 18*),	150 00	Merchandise (*see account, page 18*),		912 50
Discount (*see account above*),	1 66	Interest (*see account above*),		1 20
	151 66			913 70
		Total Gains,	913 70	
		" Losses,	151 66	
		Net Gain,	762 04	

Resources.		Liabilities.	
Cash (*see account, page 17*),	362 04	E. N. French (*see account, page 18*),	500 00
Mdse., Inventory (*see account, page 18*),	5600 00	Bills Payable (*see account, page 18*),	500 00
Reed & Mills (*see account, page 18*),	350 00	M. Sage (*see account above*),	250 00
Expense, Inventory (*see acct., page 18*),	200 00		1250
Bills Receivable (*see account, page 18*),	150 00		
	6662 04		

Proprietor's Present Worth.		Proof of Proprietor's Present Worth.	
J. T. Smith's credit (*See acct., page 17*),	5000 00	Total Resources,	6662 04
" " debit (" " " "),	350 00	" Liabilities,	1250 00
" " net credit,	4650 00	Net Resources, or J. T. Smith's Present Worth,	5412 04
" " net gain,	762 04		
" " present worth,	5412 04		

NOTE TO THE STUDENT.—Having completed the study of the foregoing pages, in accordance with the directions given you, before commencing the work of the month of January following, you will report to the teacher, who will ask you such questions, and give you such instructions and suggestions, upon the principles embodied in the preceding pages, as he may consider desirable.

January 1, 18-

V Ex. No. 1, p. 12.	Student's Name commenced business					
	this day and invested cash				4000	
V Ex. No. 2, p. 12.	2 Bought of Wm Brown for cash					
	100 bbls Flour	5.			500	
Ex. No. 3, p. 12.	3 Sold N. Davis for cash					
	50 bbls Flour	6.			300	
Ex. No. 2, p. 12.	4 Bought of Hart & Co. for cash					
	100 bbls Pork	9.	900			
	100 " Beef	12.	1200		2100	
Ex. No. 3, p. 12.	5 Sold Chas D. Gordon for cash					
	25 bbls Flour	6.25	156	25		
	50 " Beef	14	700		856	25
Ex. No. 6, p. 13.	6 Paid rent of store in cash				50	
Ex. No. 4, p. 13.	8 Bought of J. D. Morgan on acct.					
	100 bbls Flour	5.			500	
Ex. No. 5, p. 13.	10 Sold A. O. Steele on account					
	50 bbls Flour	6			300	
Ex. No. 4, p. 13.	12 Bought of D. Hammond on acct.					
	100 bbls Salt	1.25	125			
	50 " Beef	12	600		725	
Ex. No. 5, p. 13.	15 Sold James T. Wood on account					
	25 bbls Pork	10.5	262	50		
	10 " Salt	1.50	15			
	30 " Flour	6.	180		457	50

See Prin. 60, page 8, 69, p. 9.	Sold Larkin Bros. for cash					
	50 bbls. Pork	10.50	525			
	25 " Flour	6.	150		675	
	20					
See Prin. 94, page 11. 61, p. 8.	Bought for cash two tons coal for use of store				10	50
	22					
See Prin. 68, page 9, 61, pa. 8.	Bought of Clark, Good & Co. for cash					
	100 bbls. Flour	5.			500	
	23					
Ex. No. 8, p. 13.	Received cash of A. O. Steele in full of acct.				300	
	25					
See Prin. 51a, page 7, 69, pa. 9.	Sold James T. Wood on acct.					
	40 bbls. Flour	6.			240	
	26					
Ex. No. 7, p. 13.	Paid D. Hammond cash to apply on account				400	
	27					
	Sold Chas. D. Gordon for cash					
See Prin. 60, page 8, 69, p. 9.	25 bbls. Salt	1.50	37	50		
	25 " Beef	14.	350		387	50
	29					
Ex. No. 27, p. 17.	Paid clerks' salaries for January in cash				175	
	30					
See Prin. 60, page 8, 52a, p. 7.	Received cash of James T. Wood on account				200	
	31					
See Prin. 68, page 9, 52b, p. 7.	Bought of D. Hammond on acct.					
	50 bbls. Pork	9.			450	

DIRECTIONS FOR JOURNALIZING.

Having completed the work of copying the foregoing transactions into your Day Book, you may now journalize them. As explained in 9 and 10, on page 5, journalizing is deciding upon the debits and credits of the business transactions recorded in the Day Book, and arranging them in the Journal in a form convenient for transferring (posting) to the Ledger. In journalizing, therefore, you will need your Day Book and Journal before you.

The examples commencing on page 12 are designed to assist you in the work of journalizing. To illustrate: Read the transaction January 1 in your Day Book; then turn to page 12 and compare it with the Day Book Record of Example No. 1. As you will see, they read substantially alike, and precisely the same principles are involved in each. If, therefore, Example No. 1 be journalized

Cash, Dr. 5000
To J. T. Smith, Cr. 5000 (*see journal entry for Example No. 1, page 12*), it follows that the first transaction in your Day Book should be journalized Cash, Dr. 4000
To Student, Cr. 4000

Turn to your Journal, therefore, and make the journal entry as shown in the illustration below omitting for the present, the figures in the column at the *left*. Their use will be explained later. You will observe that the debits are entered on the left side and the credits on the right side of the dividing line. The abbreviations Dr. and Cr. are omitted from the Journal. The sign "To" indicates that the item before which it is placed is a credit. After you have made the entry in your Journal, turn at once to your *Day Book*, and, in the column at the left, check the transaction thus √ as shown in the illustration on page 20, to prevent omissions. This completes the work of journalizing the first transaction, January 1. The entry will not be posted until later, when full instructions will be given. Next proceed to journalize the transaction JANUARY 2.

By reference to page 20, you will see that the small reference figures at the left of this transaction indicate that you are to consult Example No. 2, on page 12 for assistance in making the journal entry. Again, the reference figures for transaction of January 3, page 20, refer you to Example No. 3, page 12, for transaction of January 4, to Example No. 2, and so on.

By referring in this manner to an example *containing the same conditions* as the transaction you are journalizing, you can readily determine the proper debits and credits for all the transactions in January. In consulting these examples for assistance in making the journal entries, you are at the same time to repeat the rules governing the entry, that you may, as soon as possible, become thoroughly familiar with the principles of debit and credit.

It is desirable that you should, as soon as possible, proceed with the journalizing independent of the examples. Therefore, after making a few entries, do not refer to the examples unless it is absolutely necessary to do so, but journalize the transactions by applying the principles and rules for journalizing, as given on pages 6 to 11.

After journalizing all of the transactions for January, present your Journal to the teacher for approval.

January 1, 18—

2	Cash	4000			
1	To Student			4000	
	2				
	Wdse	500			
	To Cash			500	
	3				
	Cash	300			
	To Wdse			300	

DIRECTIONS FOR POSTING.

After you have journalized all the transactions for January, and your Journal has been approved by the teacher, your next work will be to post. Posting, as explained in 15 to 20, on page 5, is transferring the debits and credits from the Journal to the Ledger, placing those of the same name under one heading, for the purpose of exhibiting the final results of the business. The simple process of posting is not difficult; it is purely mechanical, but it requires constant watchfulness and care to perform the work without making errors.

A few Ledger accounts are shown on page 25, to give you an idea of the form for opening accounts in your Ledger; and you will find *explicit* instructions for posting given below, under "Guide for posting the Journal entries for January."

You are to follow those instructions to the very letter, performing the work step by step as directed. To illustrate: In the instructions for posting the first journal entry (*Jan. 1*), you are directed to "write your own name at the top of page 1 in your Ledger." Before reading the instructions further, you should turn to your Ledger and perform the work exactly as directed; then turn again to the instructions and see what the next step is, and take that, and so on until you have posted the entire entry.

Then take the instructions for the second entry in your Journal, and proceed in the same manner as with the first entry, performing the work precisely as indicated.

After you have posted a few of the journal entries by the aid of the instructions, lay aside your text book and proceed without it if possible.

You may now place your Journal and Ledger before you, and commence posting in accordance with the following:

GUIDE FOR POSTING THE JOURNAL ENTRIES FOR JANUARY.

JANUARY 1. (See this entry in your Journal.)

First, write your name at the top of page 1 in your Ledger, on the *upper line*, in a bold, plain hand. (*See form of Ledger on page 25.*) Next, on the Cr. side of the heavy line in the center—that is the right-hand side—enter, in the date column, the date, *Jan. 1.* (The explanation column being little used in business it will be left entirely blank for the present.) Next, in the journal page column, enter the page of your Journal, *1.* Next, in the amount column, enter the amount, *4000.* Next turn to your Journal, and enter the page of the Ledger, *1*, in the column at the *left* of student's name as a check to indicate that the item has been posted. (*See Journal form on page 22.*) *Before reading any further*, perform the above work *precisely* as instructed. Next write *Cash*, in a bold, plain hand, at the *top of page 2* in your Ledger. Next, on the Dr. side of the heavy line in the center—that is, on the left-hand side—enter, in the date column, the date, *Jan. 1.* Next, in the Journal page column, enter the page of your Journal, *1.* Next, in the amount column, enter the amount, *4000.* Next turn to your Journal and enter the page of the Ledger, *2*, in the column at the left of Cash, to indicate that this item has been posted. This completes the posting of the entry. Next proceed to post the entry of

JANUARY 2. (See this entry in your Journal.)

Open an account with MERCHANDISE at the *top of page 3* in your Ledger; then, on the Dr. side—that is, the left-hand side—enter in the date column, the date, *Jan. 2;* next, enter the Journal page, *1;* next, enter the amount, *500;* next, turn to the Journal and enter the Ledger page, *3*, in the column at the left of Mdse. as a check to show that it has been posted.

Next turn to Cash account on page 2 in the Ledger, and enter, on the Cr. side—right-hand side—the date, *Jan. 2;* next, enter the Journal page, *1;* next, enter the amount, *500;* next, turn to the Journal and enter the Ledger page, *2*, at the left of Cash as a check.

JANUARY 3. (See the Journal entry.)

Turn to Cash account on page 2 in your Ledger, and enter, on the Dr. side—*left hand* side—of the account, the date, *3*, placing ditto marks under the month, *Jan.*, to save repetition; next, enter the journal page, *1;* next, enter the amount, *300;* next, turn to your Journal and check as before by entering the Ledger page, *2*, at the left of Cash. Next turn to Merchandise account on page 3, and enter, ~~on~~ the Cr. side, the date, *Jan. 3;* next, the journal page, *1;* next, the amount, *300;* next, turn to your Journal and check Merchandise by entering the Ledger page, *3*.

JANUARY 4. (See this entry in your Journal.)

Turn to Merchandise account, on page 3 in your Ledger, and enter, on the Dr. side, the date, *4,* the journal page, *1;* the amount, *2100;* then check in Journal as before instructed. Next, on Cr. side of Cash account, enter the date, *4;* the journal page, *1;* the amount, *2100;* then check in Journal.

JANUARY 5. (See the Journal entry.)

On Dr. side of Cash account enter the date, *5;* the journal page, *1;* the amount, *856.25;* check in Journal. On Cr. side of Merchandise, enter the date, *5;* the journal page, *1;* the amount, *856.25;* check in Journal.

JANUARY 6. (See the Journal entry.)

Open an account with EXPENSE at the top of page 4. Enter, on the Dr. side, the date, *Jan. 6;* next, the journal page, *1;* next, the amount, *50;* next, check in the Journal. Next, turn to Cash account, on page 2, and enter, on the Cr. side, the date, *6;* the journal page, *1;* the amount, *50;* then check in the Journal.

JANUARY 8. (See the Journal entry.)

On Dr. side of Merchandise account enter the date, *8;* journal page, *1;* the amount, *500;* then check in Journal. Next, open an account with J. D. MORGAN, on page 4, twenty lines below Expense account, and enter, on the Cr. side, on the second line below the title, the date, *Jan. 8;* journal page, *1;* amount, *500;* then check in Journal.

JANUARY 10.

Open an account with A. O. STEELE, on page 4, ten lines below J. D. Morgan's account, and enter, on the Dr. side, two lines below the title, the date, *Jan. 10;* the journal page, *1;* the amount, *300;* then check in Journal. Next, turn to Merchandise account and enter, on the Cr. side, the date, journal page and amount; then check in Journal.

JANUARY 12.

On Dr. side of Merchandise account enter the date, journal page, amount, and check in Journal. Next, open an account with D. HAMMOND at top of page 5. Enter, on Cr. side, the date, journal page, amount, and check in the Journal.

JANUARY 15.

Open an account with JAMES T. WOOD, on page 5, ten lines below D. Hammond's account, and enter, on the Dr. side, two lines below the title, the date, journal page and amount; then check in journal. Next turn to Merchandise account and post, on Cr. side, as heretofore instructed, remembering to check in the Journal.

JANUARY 16.

Post on Dr. side of Cash account, and Cr. side of Merchandise account. Be careful to check in the Journal after each posting.

NOTE.—You should now be able to proceed with the posting without further assistance. In case, however, you are unable to do so, for additional practice apply to the teacher for a *separate sheet* of ledger paper, and post the same entries again.

[104] You will observe that, in every journal entry, an equal amount is posted to both sides of the Ledger, thus keeping it constantly in balance. This is the principle upon which Double Entry book-keeping is based and from which it takes its name.

Student.

Date.		Explanation.	Journal Page.	Amount.	Date.		Explanation.	Journal Page.	Amount.
					18– Jan.	1		1	4000

Open this account at top of page 2.

Cash.

18–						18–					
Jan.	1		1	4000		Jan.	2		1	500	
"	3		1	300		"	4		1	2100	
"	5		1	856	25	"	6		1	50	

Open this account at top of page 3.

Merchandise.

18–						18–					
Jan.	2		1	500		Jan.	3		1	300	
"	4		1	2100		"	5		1	856	25
"	8		1	500							

Open this account at top of page 4.

Expense.

18–											
Jan.	6		1	50							

Open this account twenty lines below Expense.

J. D. Morgan.

						18–					
						Jan.	8		1	500	

TRIAL BALANCE.

[105] A Trial Balance is a test to ascertain whether the debit and credit sides of the Ledger are equal. [106] The Trial Balance does not prove the work to be absolutely correct, [107] as errors may be made which will not affect the equality of the Ledger, [108] such as posting to the wrong account, errors in journalizing, erroneous computations, etc.

[109] If the footings of the Trial Balance are equal, however, it is generally accepted as proof that the work upon the Ledger is correct, [110] although the careful book-keeper, in addition to such proof, will usually go over his computations and posting the second time.

You may now proceed to take a Trial Balance for January.

INSTRUCTIONS FOR TAKING JANUARY TRIAL BALANCE.

Commencing with the first account in your Ledger, which is Student's, [111] write your name on the first line in the trial balance sheet, preceding it, in the column marked L. F. (Ledger Folio), with the page of the Ledger on which the account appears; then place the Cr. footing, *4,000*, in the right hand column, as illustrated in the trial balance given below.

You will then turn to the next account in your Ledger—Cash. Add both sides of the account, [112] placing the footings in *small lead-pencil figures*, [113] close up to the line on which the last item is posted, as illustrated in the Cash account below.

NOTE.—Use a sharp-pointed lead pencil for all work of this kind, as the figures can be made much smaller and more legible than with a dull-pointed pencil.

CASH.

18—						18—					
Jan.	1		1	4000		Jan.	2		1	500	
"	3		1	300		"	4		1	2100	
"	5		1	856	25	"	6		1	50	
"	16		1	675		"	20		1	10	50
"	23		1	300		"	22		1	500	
"	27		2	387	50	"	26		1	400	
"	30		2	200		"	29		1	175	
				6718	75					3735	50

The above illustration shows how the Cash account will appear in the Ledger after it has been footed for the trial balance. [114] Do not draw lines under the columns to be added, as the peculiar position of the footing serves to distinguish it from the other items in the account. [115] Make your pencil footings plain and distinct, but *quite small.* When there is but one item, no pencil figures are necessary. [116] After the account has been footed as instructed above, transfer the footings, with the title and page of the account—Cash—to the next line in the trial balance sheet. Continue in this manner, footing and carrying results to the trial balance, until the footings of all the accounts in the Ledger have been transferred. (*See 117 and 118, page 27.*) If your trial balance is correct, the footings of the sides will be equal, and will correspond in all particulars with the one given below.

Trial Balance, January 31, 18—

L. F.					
1	Student			4000	
2	Cash	6718	75	3735	50
3	Merchandise	4775		3216	25
4	Expense	235	50		
4	J. D. Morgan			500	
5	D. Hammond	400		1175	
5	James F. Wood	697	50	200	
		12826	75	12826	75

[117] When the footings of both sides of an account are equal it may be omitted from the trial balance, as in the case of the account with A. O. Steele. You may rule up Steele's account in your Ledger at once. (*See first ruling of Hoag's account, page 43*). [118] *Always use red ink in ruling.*

NOTE.—Questions upon a few of the leading principles involved in the work of the foregoing set are given below, and you should be prepared to answer them satisfactorily if called upon by the teacher at any time to do so. Before proceeding further, therefore, study carefully the answers to the following

QUESTIONS FOR REVIEW.

Page 5.—[1-2] What is Book-keeping? [6-8] Explain the use of the Day Book. [9] The Journal. [15] The Ledger. [10] What is Journalizing? [20] What is Posting? [25] What are the three kinds of accounts used in Double Entry? Pape 6.—[26-31] Give the general rules for journalizing. [43-44] Give the rule for journalizing Proprietor's account. Page 8.—[60-61] For Cash. Page 9.—[68-69] For Merchandise. Page 11[94-95] For Expense. Page 24.—[104] From what does double entry book-keeping take its name? Page 26.—[105] What is a Trial Balance? [106] Does the trial balance prove the work to be absolutely correct? [107] Why not? [108] What errors might be made that would not affect the equality of the Ledger? [109] What is generally regarded as evidence that the work upon the Ledger is correct? [110] What should be done in addition to having such proof? [111-116] How will you proceed to take a Trial Balance? Page 27.—[117] What should be done when the footings of both sides of an account are equal? [118] What colored ink should always be used in ruling?

NOTE.—After you have become familiar with the principles covered by the above questions, proceed to copy into your Day Book the transactions for February, as given an the following pages. In all computations, if the fraction is five mills or over, add another cent; if less than five mills drop the fraction. Strive to make the work upon your books show constant progress in penmanship, by imitating as nearly as possible the forms given you to copy.

INSTRUCTIONS FOR FINDING TIME, AND COMPUTING INTEREST AND DISCOUNT.

The manner of finding time in discounting negotiable paper differs, somewhat, with places and individuals. In this work, for the sake of uniformity, the term of discount, in all cases, will be found by counting the actual number of days from the date of discount to the date of maturity, which will exclude the day of discount and include the day of maturity.

If the paper to be discounted is interest bearing, first compute the interest upon the face of it from the date it begins to draw interest to maturity; then add the interest to the face of the paper, and compute discount upon the amount thus obtained, from the date of discounting to maturity. The face, plus the interest, minus the discount, will be the proceeds.

Compute interest and discount at 6%, on a basis of 360 days for a year, unless otherwise specified, using the Short Method, for explanation of which see your Commercial Arithmetic.

PROMISSORY NOTE.

$900.50 New Albany, Ind. Feb. 14, 18-

Nine days after date we promise to pay James Brewster, or order, Nine Hundred 50/100 Dollars, value received, at First National Bank.

Due Feb. 26, 18- Willis & Smith.

NOTE.—Days of grace have been abolished by statute in New York. In this work, however, days of grace will be allowed on all negotigble paper, excepting sight drafts, unless otherwise stated.

February 1, 18-

See Prin. 60, p. 8, 69, p. 9.	Sold W. Galt for cash					
	25 bbls. Salt	150			37	50
	2					
See Prin. 68, p. 9, 61, p. 8.	Bot. of Hart & Co. for cash					
	25 bbls. Lard 5000 lbs.	8½ ₵			425	
	3					
51 b. p. 7, 61, p. 8.	Paid J. D. Morgan cash on acct.				100	
	5					
68, p. 9, 52 b. p. 7.	Bot of Bell Bros. & Day on acct.		All amounts blank are to be filled in by the student.			
	10 bbls. A. Sugar, 2500 lbs.	6½ ₵				
	10 ch. Japan Tea, 600 lbs.	50 ₵			462	50
	6					
94, p. 11, 61, p. 8.	Paid gas bill for Jan. in cash				6	50
	8					
51 a. p. 7, 69, p. 9.	Sold A. O. Steele on acct.					
	10 bbls. Lard, 2000 lbs.	12½ ₵				
	9					
60, p. 8, 52 a. p. 7.	Recd cash of J. T. Wood on acct.				100	
	10					
Ex. No. 13, p. 14.	Sold Sherman, French & Co.					
	60 bbls. Beef	14.			840	
	Recd cash on above		240			
	Balance on acct.		600			
	12					
Ex. No. 18, p. 15.	Students Name drew cash for private use				100	
	13					
Ex. No. 14, p. 15.	Bot of Miller & Beach					
	50 bbls Beef	12.				
	50 " Pork	9.			1050	
	Paid cash on above		250			
	Balance on account		800			
	13					
60, p. 8, 52 a, p. 7.	Recd cash of A. O Steele on acct.				100	

February 14, 18-

Ex. No. 12, p. 14.	Sold D. W. Powers on his note at 10 days				
	50 bbls. Pork	10.50			525
	15				
Ex. No. 9, page 14.	Bot of Chas H. Norris on my note at 10 days				
	50 bbls. Flour	5.			250
For the simpler transactions no references will hereafter be given.	17				
	Sold O. W. Gardner for cash				
	3 bbls. Sugar, 625 lbs	7¢			43
	19				
76, p. 9, 69, p. 9.	Sold Freeman & Johnson on their note at 15 days, with interest				
	40 bbls. Beef	14.			560
	21				
68, p. 9, 85, p. 10.	Bot of Long & Martin on my note at 10 days, with interest				
	50 bbls. Pork	9.			
	50 " Beef	12.			1050
	22				
	Paid Miller & Beach cash on acct.				200
	23				
Ex. No. 10, p. 14.	Recd of Jas. T. Wood his note at 15 days in full of acct.				397 50
	24				
	Paid rent and salaries in cash				175
	26				
Ex. No. 11, p. 14.	Gave D. Hammond my note at 10 days on acct.				300
	27				
Ex. No. 22, p. 16.	Recd cash for D. W. Powers' note of 14th				525
	28				
Ex. No. 21, p. 16.	Paid my note of 15th inst. in cash				250

NOTE.—Copy the Inventory as given below into your Day Book, immediately following the transactions for February. When the inventory includes a long list of goods, a separate book, called an "Inventory Book," is usually employed.

INVENTORY. FEB. 28, 18—.

	MERCHANDISE.					
	130 bbls. Flour, - - - - - - - -	5.00	650			
	40 " Salt, - - - - - - - -	1.25	50			
	10 ch. Japan Tea, 600 lbs. - - - - - -	.50	300			
	7 bbls. A Sugar, 1875 lbs. - - - - - -	.06½	121	88		
	75 " Beef - - - - - - - -	12.00	900			
	125 " Pork, - - - - - - - -	9.00	1125			
	15 " Lard, 3000 lbs. - - - - - - -	.08½	255		3401	88

[1]An Inventory represents, generally, property on hand, as in the case above. [2]It may, however, represent a debt owing to us or owing by us, such as interest accrued on notes, unpaid rent, etc. [3]An Inventory may, therefore, show either a resource or a liability.

[4]In business, the inventory of goods on hand is usually found by going through the store, weighing, measuring or counting the articles, their value being estimated usually at cost, or at the price for which they could then be purchased. [5]In some kinds of wholesale business it is desirable to keep what is called a "Stock Book," from which the quantity of goods on hand can be determined at any time, and with much less labor than by the method described above.

NOTE.—After you have completed copying the foregoing transactions into your Day Book, before proceeding to journalize, draw up on foolscap paper the notes mentioned in the transactions Feb. 14, 15, 19, 21, 23, 26. (*See form of note on page 27.*)

After writing the notes called for above, proceed to journalize the transactions for February as you did those of January, referring when necessary to the prineiples and examples indicated by the figures at the left of the transactions to assist you in the work. Reference figures are given for a few of the more difficult transactions only in February, it being presumed that you are sufficiently acquainted with the principles to enable you to journalize all of the simpler transactions without such assistance.

When you have completed the journalizing for February, present your journal, together with the forms of notes called for above, to the teacher for approval. You will then be prepared to begin

POSTING FEBRUARY.

As the business of February is a continuation of that of January, it will be posted under the same ledger headings, new accounts being opened, of course, as they may be required. Since full instructions for posting were given in January, you will probably not require any further assistance, as the work of posting is always substantially the same.

Should you need further aid, however, in the work, instructions for posting a few of the first journal entries in February are given below.

GUIDE FOR POSTING FEBRUARY.

FEBRUARY 1. (See this entry in your Journal.)

Turn to Cash account on page 2 in the Ledger, and enter, on the Dr. side, on the *first blank line*, the date, *Feb. 1;* the page of the Journal, *3;* the amount, *37.50.* Then check in the Journal by entering the Ledger page, *2*, at the left of Cash. Next turn to Merchandise account on page 3 in the Ledger, and on the Cr. side, enter the date, *Feb. 1;* the journal page, *3;* the amount, *37.50.* Then check Merchandise in the Journal.

FEBRUARY 2.

On Dr. side of Merchandise account enter the date, journal page, amount, and check in the Journal. Next, on Cr. side of Cash account, enter the date, journal page, amount, and check.

FEBRUARY 3.

Post on Dr. side of J. D. Morgan's account, and then check in Journal. Next, post on Cr. side of Cash account, and check.

NOTE.—Continue posting in this manner until you have posted the entire month of February. In opening new accounts hereafter in this month, give each personal account ten lines space, and give Bills Receivable and Bills Payable *each* fifteen lines space.

BALANCE SHEET.

After you have completed the posting for February, you may next [6] make out a "Balance Sheet," for the purpose of ascertaining the exact condition of the business at the present time.

[7] The Balance Sheet as illustrated on page 33 combines with the Trial Balance a statement, exhibiting in a condensed and convenient form for reference, the Resources, Liabilities, Losses and Gains of the business. In performing this work, it is of the utmost importance to you that you *do not merely copy* the form of Balance Sheet. To do the work understandingly, securing a knowledge of the relations of the various accounts to the business, it is *absolutely essential* that you take each step in the order indicated, and perform the work precisely as directed in the instructions which follow.

GUIDE FOR MAKING BALANCE SHEET FOR FEBRUARY.

If you have not in your Trial Balance book a form ruled to correspond with the one shown on page 33, you will rule a sheet. First take a trial balance of your Ledger, precisely as instructed for January; that is, foot the accounts in pencil, and carry the footings to the *first two* columns of your Balance Sheet. Do not extend any amounts to the other columns until you have thus drawn off on your Balance Sheet all of the ledger accounts and footed the two columns, to ascertain whether your Ledger is in balance. If your trial balance proves—that is, if the first two columns foot alike—your next step will be to extend the Resources, Liabilities, Losses and Gains, as shown by the various accounts, as follows:

CASH.

Commence with Cash, it being the first account in your Balance Sheet following the Proprietor's (Student's) account. [8] From the Dr. footing, 7765.00, which is the cash received, subtract the Cr. footing, 5242.00, which is the cash paid out, and the difference will show the cash on hand, 2523.00, which you are to extend to the Resource column, because property on hand is a Resource. (*See 37, page 6.*)

MERCHANDISE.

[9] First enter, in the Resource column, the inventory of Merchandise, 3401.88, as shown on page 30, because property on hand is a Resource (*37, page 6.*) Make the entry in *red ink*, to distinguish it from the resources shown by the ledger accounts. Next, find the gain or loss on the account by either of the methods explained and illustrated below.

Explanation of First Method.

[10] To the Cr. footing, 5472.50, the proceeds from goods sold, add the Inventory, 3401.88, the value of goods remaining unsold; this will give the *total* proceeds, 8874.38. Then from this amount subtract the Dr. footing, 8012.50, the cost of all the goods bought, and the difference will be the gain, 861.88, which you are to extend to the Gain column, because an account that produces more than it costs, exhibits a gain (*36, page 6*).

Explanation of Second Method.

[11] From the Dr. footing, 8012.50, which is the cost of all the goods bought, subtract the Inventory, 3401.88, the cost of the goods on hand, and the difference will be the cost of the goods sold, 4610.62. Subtracting this amount from the Cr. footing, 5472.50, the proceeds from goods sold, the difference will be the gain, 861.88, which you are to extend to the Gain column (*36, page 6*).

Illustration.

First Method.		*Second Method.*		
Sales of Mdse. (Cr. footing),	5472.50	Sales of Mdse.		5472.50
Inventory (goods on hand, *page 31*),	3401.88	Cost of Mdse.	8012.50	
	8874.38	Inventory "	3401.88	
Cost of Mdse. (Dr. Footing),	8012.50			4610.62
Gives the gain,	861.88	Gives the gain,		861.88

EXPENSE.

[12] The Dr. footing, 417.00, shows the total outlay. There being no returns, you will extend 417.00 to the Loss column, because an account which costs more than it produces exhibits a loss (*35, page 6*).

J. D. MORGAN.

[13] From the Cr. footing, 500.00—the amount we got into his debt—subtract the Dr. footing, 100.00—the amount we got out of his debt. The difference, 400,00, is the amount we still owe him, which you are to extend to the Liability column, because an amount owing by us is a liability (*38, page 6*).

A. O. STEELE.

[14] From the Dr. footing, 250.00, the amount he got into our debt, subtract the Cr. footing, 100.00, the amount he got out of our debt, the difference, 150.00, is the amount he still owes us, which you are to extend to the Resource column, because an amount owing to us is a resource (*37, page 6*).

NOTE.—In extending the accounts of D. Hammond, Bell Bros. & Day and Miller & Beach, consult the explanation given above for J. D. Morgan. In extending Sherman, F. & Co.'s account, consult the explanation for A. O. Steele.

BILLS PAYABLE.

[15] From the Cr. footing, 1600.00, the amount of Bills Payable issued, deduct the Dr. footing, 250.00, the amount of Bills Payable redeemed; the difference, 1350.00, is the amount of Bills Payable outstanding, which you are to extend to the Liability column, because an amount owing by us is a liability (*38, page 6*).

BILLS RECEIVABLE.

[16] From the Dr. footing, 1482.50, the amount of Bills Receivable received, deduct the Cr. footing, 525.00, the amount of Bills Receivable disposed of; the difference, 957.50, is the amount of Bills Receivable on hand, which you are to extend to the Resource column, because an amount owing to us is a resource (*37, page 6*).

NET GAIN AND PRESENT WORTH.

Foot the Resource, Liability, and Loss and Gain columns of the Balance Sheet, and extend the results as shown in the form on page 33.

[17] Extend into the Loss column, in red ink, the NET GAIN, 444.88, which is the difference between the total gains and the total losses.

[18] To the net credit, 3900.00, which is the difference between the debit and credit of the proprietor's account, add the net gain, and extend the amount, 4344.88, which is the Present Worth, into the Liability column.

[19] The Net Gain is found as shown in the accompanying balance sheet, by subtracting the total losses from the total gains, as found from the different accounts showing losses and gains. [20] The Net Gain may also be found by subtracting the proprietor's net credit from the Present Worth;[21] the Present Worth at any time being the difference between the Resources and Liabilities.

[22] It will also be seen that the Present Worth, or Net Resource, in double-entry book-keeping may be found in two ways; either by adding the Net Gain to the Net Credit, or by finding the difference between the Resources and Liabilities.

[23] When the losses exceed the gains, the difference is called the "Net Loss;" in such case, in making out the Balance Sheet, the Net Loss must be deducted from the Net Credit, to find the Present Worth.

[24] When the Liabilities exceed the Resources, the proprietor is "Insolvent."

[25] As the Present Worth of any business belongs to the proprietor, or stockholders, it is in that sense a liability to the business. This liability, however, must not be confounded with the regular resources and liabilities, the difference between which is the Present Worth or the value of the business belonging to the proprietor.

Balance Sheet, February 28, 18–

		DR. FOOTING.	CR. FOOTING.	LOSSES.	GAINS.	RESOURCES.	LIABILITIES.
1	Student	100	4000				
2	Cash	7765	5242			2523	
3	Merchandise	8012 50	5472 50		861 88	3401 88	
4	Expense	417		417			
4	J. D. Morgan	100	500				400
	A. O. Steele	250	100			150	
	D. Hammond	700	1175				475
	Bell Bros. & Day		462 50				462 50
	Sherman, F. & Co.	600				600	
	Miller & Beach	200	800				600
	Bills Payable	250	1600				1350
	Bills Rec'e	1482 50	525			957 50	
		19827 00	19827 00	417	861 88	7632 38	3287 50
	Net Loss			444 88			
				861 88	861 88		
	" Net Credit		3900				
	" " Gain		444 88				
	" Present Worth						4344 88
						7632 38	7632 38

Having ascertained by the foregoing Balance Sheet the true condition of the business at the present time—that is, what the net gain has been, how much the proprietor is worth and of what his worth consists—it is desired to make the *Proprietor's* (*Student's*) *account in the Ledger* exhibit the present worth.

[26] To do this, the accounts showing gains and losses must be closed, and [27] the net gain entered in the Proprietor's account. [28] It is only necessary to close the accounts which show gains and losses, [29] because in them have been entered all transactions making the proprietor worth more or less, [30] The other accounts—those exhibiting resources and liabilities—simply show *of what the present worth consists*, and [31] closing them would in no way affect the Proprietor's account.

GUIDE FOR CLOSING THE ACCOUNTS SHOWING LOSSES AND GAINS.

[32] Following the last account in your Ledger, open an account with Loss & Gain, [33] to which are to be carried the losses and gains from the various accounts as they are closed, [34] and from which finally the Net Gain is to be transferred to the proprietor's account.

MERCHANDISE.

[35] The Inventory is first to be entered on the credit side of the account, that it may be added to the sales, as explained and illustrated in the *first method* for finding the gain or loss on Merchandise, on page 31. (This is equivalent to deducting it from the debit side, as explained in the *second method*, on page 31.) Proceed as follows: [36] On the Cr. side of the account, enter, first, the inventory. Write, IN RED INK, *Feb. 28, Inventory, 3401.88.* [37] Then to close the account, on the smaller side—which is the debit—enter the difference between the sides, that is, the gain. Write, IN RED INK, *Feb. 28, Loss & Gain, 861.88* (enter in the page column the page of the Loss & Gain account). [38] Next, rule and foot the account. (*See Merchandise account closed and ruled up, on page 35.*)

[39] In ruling an account, draw the red line directly *upon* the blue line. In the double ruling, draw the lines as close as possible and not have them run together. Rule on the *same line* on both sides of the account, even if there be a larger number of entries upon one side than upon the other.

[40] The two entries just made have put the *Ledger* out of balance, and to restore the balance, entries for like amounts must be made on the opposite sides, as follows: [41] First transfer the Inventory below the ruling, on the Dr. side. Write, IN BLACK INK, *March 1, Inventory, 3401.88.* [42] Next, transfer the gain to the Cr. side of the Loss & Gain account. Write, IN BLACK INK, *Feb. 28, Mdse., 861.88* (enter in page column, the page of Merchandise account). [43] By these two entries we have not only placed the Ledger again in balance, but we have caused the Merchandise account to show as it should, on the debit side, the resource represented by the value of the goods unsold; and [44] have caused the Loss & Gain account to show, as it should, on the credit side, the gain produced by an account (Mdse.) which has been closed.

EXPENSE.

To close this account: [45] On the smaller side—which is the Cr.—enter the difference between the sides—that is the loss. Write, IN RED INK, *Feb. 28, Loss & Gain, 417.00* (enter page of Loss & Gain account). [46] Next, rule and foot the account, as previously instructed. [47] Next transfer the loss to the Dr. side of Loss & Gain account. Write, IN BLACK INK, *Feb. 28, Expense, 417.00* (enter page of Expense account).

LOSS & GAIN.

Having closed all of the accounts which show losses and gains, into the Loss & Gain account, you will now proceed to close this account. [48] On the smaller side—which is the Dr.—enter the difference between the sides, that is the net gain. Write, IN RED INK, *Feb. 28, Student* (the page), *444.88.* Next, rule and foot the account. [49] Next, transfer the net gain to the Cr. side of Student's (proprietor's) account. Write, IN BLACK INK, *Feb. 28, Loss & Gain* (the page), *444.88.*

STUDENT.

The Net Gain having been carried to it, this account now *contains* the present worth, and that it may be shown in a single amount, you will close the account. Proceed as follows: [50] On the smaller side—which is the Dr.—enter the difference between the sides, that is the present worth. Write, IN RED INK, *Feb. 28, Present Worth, 4344.88.* [51] Next, rule and foot the account. [52] Next, transfer the present worth to the opposite side (Cr. side) below the ruling. Write, IN BLACK INK, *March 1, Present Worth, 4344.88.*

This completes the work of closing the accounts which contained the losses and gains growing out of the preceding two month's business, and the net gain—the difference between the losses shown on the Dr. side and the gains shown on the Cr. side of the Loss & Gain account—has been entered in Student's (the proprietor's) account, causing it to show the present worth. [53] It is evident that the proprietor's account will continue to show its true relation to the business—that is, the present worth, or exact difference between the resources and liabilities—only until such time as a gain or loss has been produced in the course of trade; [54] because such gain or loss is not immediately entered in the proprietor's account, but is permitted to remain in the account producing it, until a general closing of the accounts showing gains and losses is made, such as has just been explained and illustrated.

Student.

18–						18–					
Nov.	10		1	140		Nov.	1		1	3000	
"	12		2	100 240		"	15		2	2500 5500	
"	30	Present Worth		536387		"	30	Loss & Gain	14	10387	
				560387						560387	
						Dec	1	Present Worth		536387	

Merchandise.

18–						18–					
Nov.	1		1	920		Nov.	2		1	860	
"	5		1	1180		"	17		2	692	50
"	19		2	1000 3100	63 63	"	24		3	930 2402	40 90
"	30	Loss & Gain	14	302	27	"	30	Inventory		920	
				3402	90					3402	90
Dec	1	Inventory		920							

Expense.

18–						18–					
Nov.	8		1	150		Nov.	20		2	50	
"	15		2	38	40	"	30	Loss & Gain	14	198	40
"	24		3	60							
				248	40					248	40

Loss & Gain.

18–						18–					
Nov.	30	Expense	6	198	40	Nov.	30	Mdse.	4	302	27
"	30	Student's name	1	103	87						
				302	27					302	27

NOTE.—These accounts do not represent the work of the text-book, and are given only as a general illustration of how such accounts should be closed

NOTE TO STUDENT.—Questions upon some of the principles involved in the preceding set are given below, and you should be prepared to answer them if called upon to do so. Before proceeding further, therefore, study carefully the answers to the following:

QUESTIONS FOR REVIEW.

Page 10.—[83] What is generally included under the title "Bills Payable"? [85] When are Bills Payable credited? [84] When debited? Page 9.—[75] What is generally included under the title "Bills Receivable"? [76] When are Bills Receivable debited? [77] When credited? Page 30.—[1-2] What does an inventory usually represent? [3] What may it represent? [4] How found usually, and at what price are the goods estimated? [5] In what other way may the quantity of goods on hand at any time be found? Page 31.—[6] What is the object of making a "Balance Sheet"? [7] What does it exhibit? [9] In what column are the inventories entered, and how are they entered? [10-11] How is the gain on Mdse. found? Page 32.—[12] How is the loss on Expense found? [17] How is the net gain found? [8] How is the Proprietor's net credit found? [19] How is the Proprietor's present worth found? [20-24] How can the present worth be proved? [23] When the losses exceed the gains, what is the difference called? [24] In such cases how is the present worth found? [26] When is the Proprietor said to be insolvent? Page 33.—[26-27] When it is desired to make the proprietor's account exhibit the present worth, what is it necessary to do? [28-30] Why is it not necessary to close all the accounts in the Ledger? Page 34.—[32-34] What is the first step to take in closing the accounts that show losses and gains? [36-42] How is the Mdse. account closed? [39] In ruling an account, how should the lines be drawn? [45-47] How is the Expense account closed? [48-49] How is the Loss and Gain account closed? [50-52] How is the Proprietor's account closed? What does this account then exhibit? [53-54] How long will it continue to exhibit the present worth, and why?

March 1, 18-

Miller & Beach		Paid them cash on		300			
To Cash		account				300	
	2						
Bills Rec		Sold Alex Goodman		300			
To Mdse		on his note at 10				300	
		days with interest					
		50 bbls Flour 6.					
	3						
Expense		Paid Feb. gas bill		6			
To Cash		in cash				6	
	5						
Bell Bros & Day		Note at 10 days with in		462	50		
To Bills Pay		terest in full of acct				462	50
	6						
Bills Pay.		Paid note of Feb. 21, fav		10,50			
Interest		or of Long & Martin, and		2	28		
To Cash		15 days interest in cash				1052	28

NOTE.—The Day Book and Journal will hereafter be combined, the history of the transaction being written in connection with the journal entry. In the form shown on page 36, both debits and credits are entered at the left side of the page, the right side being reserved for the explanations. The explanations are to be written about one-third smaller than the journal entries.

MEMORANDA FOR MARCH.

1. Paid Miller & Beach, cash on account, 300.00.
2. Sold Alex. Goodman, on his note at ten days, with interest, 50 bbls. Flour, @ 6.00.
3. Paid February gas bill in cash, 6.00.
5. Gave Bell Bros. & Day my note at 10 days, with interest, in full of account, 462.50.

Ex. 23, p. 16. 6. Paid my note of Feb. 21, favor of Long & Martin, and interest, in cash; face of note, 1050.00; interest, 13 days, 2.28.

68, pa. 9. 61, pa. 8. 52 b. p. 7. " Bought of E. L. & E. B. King, 50 bbls. Beef, @ 12.00. Paid them cash on above, 200.00; balance on account.

" Sold R. H. Day, for cash, 5 ch. Japan Tea, 300 lbs., @ 60¢.

Ex. 19, p. 15. 8. Received of Sherman, French & Co., in full of account, as follows: Cash, 200.00; their note at 60 days, 400.00.

" Paid rent of store in cash, 50.00.

Ex. 24. p. 16. 9. Received cash of Freeman & Johnson, for their note of Feb. 19, and interest. Face of note, 560.00; interest, 18 days, 1.68.

10. Sold A. O. Steele, on account, 25 bbls. Pork, @ 10.50; 5 bbls. Lard, 1000 lbs., @ 10¢; 20 bbls. Flour, @ 6.00.

84, pa. 10. 61, pa. 8. 11. Paid my note of Feb. 26, favor of D. Hammond, in cash, 300.00.

12. Bought of Beach & Gould, on my note at 90 days, 100 bbls. Flour, @ 5.00.

60, pa. 8. 77, pa. 9. 13. Received cash of Jas. T. Wood, for his note of Feb. 23, 397.50.

" Sold Collins & Carpenter, 40 bbls. Salt, @ 1.50; 50 bbls. Pork, @ 10.50; 50 bbls. Beef, @ 14.00. Received cash on above, 785.00; their note at 30 days for balance.

15. Paid J. D. Morgan, cash on account, 200.00.

60, pa. 8. 77, pa. 9. 100, p. 11. " Received cash of Alex. Goodman, for his note of March 2, and interest. Face of note, 300.00; interest, 13 days, 65¢.

16. Bought of Leffingwell Mfg. Co., for cash, a safe for office use, 475.00.

" Bought of Gardner & Gardner, 50 bbls. Beef, @ 12.00. Paid cash on above, 300.00; gave them my note at 60 days for balance.

17. Sold Sherman, French & Co., on account, 7 bbls. A Sugar, 1875 lbs., @ 7¢; 5 ch. Japan Tea, 300 lbs., @ 60¢.

84, pa. 10. 61, pa. 8. 99, pa. 11. 18. Paid my note of 5th inst., favor of Bell Bros. & Day, and interest, in cash. Face of note, 462.50; interest, 13 days, 1.00.

19. Bought of Miller & Beach, on account, 25 bbls. Pork, @ 9.00; 10 bbls. Lard, 2000 lbs., @ 8½¢.

Ex. 26, p. 17. 21. Collins & Carpenter prepaid their note of 13th inst., in cash, less discount. Face of note, 500.00; discount off, 25 days, 2.08; cash received, 497.92.

" Sold James T. Wood, on account, 10 bbls. Pork, @ 10.50; 10 bbls. Beef, @ 14.00.

23. Received cash of A. O. Steele, on account, 150.00.

24. Paid in cash, Scrantom & Co.'s bill for books, stationery, etc., for office use, 15.75.

Ex. 25. p. 17. 25. Prepaid my note of 12th inst., favor of Beach & Gould, in cash, less discount. Face of note, 500.00; discount off, 80 days, 6.67; cash paid, 493.33.

26. Bought of J. D. Morgan, on account, 50 bbls. Flour, @ 5.00.

MEMORANDA FOR MARCH (continued).

60 pa. 8. 76 pa. 9. 69 pa. 9. 27. Sold Wm. N. Marsh, 25 bbls. Pork, @ 9.00; 25 bbls. Beef, @ 14.00. Received cash on above, 225.00; his note at 3 mos. with interest, for balance, 350.00.

28. Gave Miller & Beach my note at 2 mos., to apply on account, 300.00.

30. Paid clerks' salaries in cash, 125.00.

60 pa. 8. 99 p. 11. 77 pa. 9. 31. Sherman, French & Co. prepaid their note of 8th inst., in cash, less discount. Face of note, 400.00; discount off, 40 days, 2.67; cash received, 397.33.

" Received cash of Jas. T. Wood, on account, 100.00.

RESOURCE INVENTORIES, MARCH 31, 18—.

MERCHANDISE.

210 bbls.	Flour, @ 5.00,	1050.00	
90 "	Beef, @ 12.00,	1080.00	
40 "	Pork, @ 9.00,	360.00	
20 "	Lard, 4000 lbs., @ 8½¢,	340.00	2830.00

EXPENSE.

Office Safe, valued at	475.00

NOTE.—Having completed copying the Day Book for March, journalize the transactions, consulting the examples and rules to which references are made, as you may find it necessary. After you have journalized the entire month, and before commencing to post, hand your Journal to the teacher for approval.

POSTING MARCH.

The business of March being a continuation of that of January and February, it will be posted under the same ledger headings, opening such new accounts as may be required. Give each new account in this month ten lines space.

BALANCE SHEET.

After you have completed the posting for March, you may next make out a "Balance Sheet," for the purpose of ascertaining the present condition of the business. Full directions having been given for this work, in connection with the February balance sheet, it is not deemed necessary to give here more than a brief outline of the steps to be taken, as it is believed that the work can be done correctly and understandingly through their aid, in connection with the illustration of the form of balance sheet, given on page 33, and from the knowledge of the principles gained in making the balance sheet for February.

GUIDE FOR MAKING BALANCE SHEET FOR MARCH.

First take a trial balance of your Ledger, precisely as instructed for February; that is, foot the accounts in pencil, and carry the footings to the *first two* columns of your Balance Sheet. Do not extend any amounts to the other columns until you have thus entered on your Balance Sheet all of the ledger accounts, and footed these two columns, to ascertain whether your Ledger is in balance. The footings of the various accounts, as shown in the first two columns of your Balance Sheet, should be as follows: Student, Cr. 4344.88; Cash, Dr. 11560.08, Cr. 9222.86; Mdse., Dr. 5746.88, Cr. 3378.75; Expense, Dr. 671.75; J. D. Morgan, Dr. 300.00, Cr. 750.00; A. O. Steele, Dr. 732.50, Cr. 250.00; D. Hammond, Dr. 700.00, Cr. 1175.00; James T. Wood, Dr. 245.00, Cr. 100.00; Sherman, French & Co., Dr. 311.25; Miller & Beach, Dr. 800.00, Cr. 1195.00; Bills Payable, Dr. 2562.50, Cr. 3162.50; Bills Receivable, Dr. 3032.50, Cr. 2682.50; E. L. & E. B. King, Cr. 400.00; Interest, Dr. 3.28, Cr. 2.33; Discount, Dr. 4.75, Cr. 6.67.

If your trial balance proves—that is, if the first two columns foot alike—your next step will be to extend the Resources, Liabilities, Losses and Gains, as shown by the various accounts, as follows:

CASH.

Commence with Cash, it being the first account in your balance sheet following the Proprietor's (Student's) account. Find the difference between the Dr. and Cr. footings and extend it to the Resource column (*37, page 6*).

MERCHANDISE.

First enter, in the Resource column, the Mdse. on hand—that is the Inventory as shown on page 38 (*37, page 6*). Make the entry in *red ink*. Next, to find the gain, add the Inventory, 2830.00, to the Cr. footing, 3378.75, and from this sum subtract the Dr. footing, 5746.88, and extend the difference, 461.87, to the Gain column (*36, page 6*).

EXPENSE.

First enter, in the Resource column, the Expense Inventory, 475.00, given on page 38. (*See 37, page 6.*) Enter the Inventory in *red ink*, to distinguish it from the resources shown by the ledger accounts. Next find the loss on Expense, by deducting the Expense Inventory, 475.00, from the Dr. footing of Expense account, 671.75, because the safe, when bought, was charged to Expense account, and is therefore included in the Dr. footing. Extend the difference, 196.75, to the Loss column (*35, page 6*).

J. D. MORGAN.

Find the difference between the Cr. and Dr. footing and extend it to the Liability column (*38, page 6*).

A. O. STEELE.

Find the difference between the Dr. and Cr. footing and extend it to the Resource column (*37, page 6*).

D. HAMMOND, MILLER & BEACH AND E. L. & E. B. KING

Extend the difference between the Cr. and Dr. footings in each of the above accounts to the Liability column (*38, page 6*).

JAMES T. WOOD AND SHERMAN, FRENCH & CO.

Extend the difference between the Dr. and Cr. footings in each of the above accounts to the Resource column (*37, page 6*).

BILLS PAYABLE.

Find the difference between the Cr. and Dr. footings and extend it to the Liability column (*38, page 6*).

BILLS RECEIVABLE.

Find the difference between the Dr. and Cr. footings and extend it to the Resource column (*37, page 6*).

INTEREST.

From the Dr. footing, 3.28, the amount allowed to others, subtract the Cr. footing, 2.33, the amount allowed to us, and extend the difference, .95, to the Loss column (*35, page 6*).

DISCOUNT.

From the Cr. footing, 6.67, the amount allowed to us, subtract the Dr. footing, 4.75, the amount allowed by us, and extend the difference, 1.92, to the Gain column (*36, page 6*).

You may now foot the remaining columns of your Balance Sheet, viz: the Resource, Liability, Loss and Gain columns, after which make a summary of the results, as shown in the form of balance sheet for February, on page 33.

The footings of the columns should be as follows: Gain, 463.79; Loss, 197.70; Resource, 6930.97; Liability, 2320.00.

NOTE.—Having completed the balance sheet, you will now close the Ledger. As explained in the month of February (*29, page 33*), to cause the proprietor's account in the Ledger to show the present worth, it is only necessary to close the accounts showing losses and gains. The remaining accounts, those showing resources and liabilities, *may be closed*, however, and to give the pupil practice in the work of a general closing of the Ledger, all of the accounts will now be closed. As an aid in performing this work, a few accounts properly closed, are shown on pages 42 and 43, and explicit instructions for every step to be taken are given in the following

GUIDE FOR CLOSING THE LEDGER, MARCH 31, 18—.

Commence with the first account in your Ledger, following the Proprietor's (Student's) account, which is

CASH.

On the smaller side of this account—Cr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Balance, 2337.22.* Next, rule and foot the account. Next, transfer the balance below the ruling on the Dr. side. Write, IN BLACK INK, *Apr. 1, Balance, 2337.22* (*see Cash account closed, on page* 42).

MERCHANDISE.

On the Cr. side of this account, enter, first, the inventory. Write, IN RED INK, *Mar. 31, Inventory, 2830.00.* Next, on the smaller side of the account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Loss & Gain, 461.87* (enter, in page column, the page of Loss & Gain account). Next, rule and foot the account, Next, transfer the inventory below the ruling on the Dr. side. Write, IN BLACK INK, *Apr. 1, Inventory, 2830.00.* Next, transfer the gain to the Cr. side of the Loss & Gain account. (You have such an account already opened in your Ledger.) Write, IN BLACK INK, *Mar. 31, Mdse., 461.87.* Enter, in the page column, the page of Merchandise account.

EXPENSE.

On the Cr. side of this account, enter, first, the inventory. Write, IN RED INK, *Mar. 31, Inventory, 475.00.* Next, on the smaller side of the account—Cr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Loss & Gain* (page of Loss & Gain account), *196.75.* Next, rule and foot the account. Next, transfer the inventory below the ruling on the Dr. side. Write, IN BLACK INK, *Apr 1, Inventory, 475.00.* Next, transfer the loss to the Dr. side of the Loss & Gain account. Write, IN BLACK INK, *Mar. 31, Expense* (page of Expense account), *196.75.*

J. D. MORGAN.

On the smaller side of this account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Balance, 450.00.* Rule and foot the account. Next, transfer the balance below the ruling on the Cr. side. Write, IN BLACK INK, *Apr. 1, Balance, 450.00.*

A. O. STEELE.

On the smaller side of this account—Cr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Balance, 482.50.* Rule and foot the account. Transfer the balance below the ruling on the Dr. side. Write, IN BLACK INK, *Apr. 1, Balance, 482.50.*

NOTE.—The accounts of D. Hammond, James T. Wood, and Miller & Beach, are to be closed in same manner as those of J. D. Morgan and A. O. Steele. The account of E. L. & E. B. King, having but one item, need not be closed.

BILLS PAYABLE.

On the smaller side of this account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Balance, 600.00.* Rule and foot the account. Transfer the balance below the ruling on the Cr. side. Write, IN BLACK INK, *Apr. 1, Balance, 600.00.*

BILLS RECEIVABLE.

On the smaller side of this account—Cr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Balance, 350.00.* Rule and foot the account, and transfer the balance below the ruling on the Dr. side. Write, IN BLACK INK, *Apr. 1, Balance, 350.00.*

INTEREST.

On the smaller side of this account—Cr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Loss & Gain, .95.* Rule and foot the account and transfer the loss to the Dr. side of Loss & Gain account. Write, IN BLACK INK, *Mar. 31, Interest, .95.* Remember always to enter the page in the page column, when amounts are transferred to or from some other page in the Ledger.

DISCOUNT.

On the smaller side of this account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Loss & Gain, 1.92.* Rule and foot the account and transfer the gain to the Cr. side of the Loss & Gain account. Write, IN BLACK INK, *Mar. 31, Discount, 1.92.*

LOSS AND GAIN.

On the smaller side of this account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Student, 266.09.* Rule and foot the account, and transfer the net gain to the Cr. side of Student's account. Write, IN BLACK INK, *Mar. 31, Loss and Gain, 266.09.*

STUDENT.

On the smaller side of this account—Dr. side—enter the difference between the sides. Write, IN RED INK, *Mar. 31, Present Worth, 4610.97.* Rule and foot the account, and transfer the present worth below the ruling on the Cr. side. Write, IN BLACK INK, *Apr. 1, Present Worth, 4610.97.*

Your Ledger is now closed, and the purpose of such closing has been accomplished, viz: The Proprietor's account has been made to show his present worth, and the resources and liabilities representing such present worth are exhibited below the rulings of the various accounts to which they belong.

In closing the accounts, the equilibrium of the Ledger has not been disturbed, as, in every instance where an amount was entered in an account, either upon the debit or credit side of the Ledger, the *same amount* was immediately transferred to the *opposite* side of the Ledger, either in some other account or below the rulings of the same account, thus keeping the Ledger constantly in balance. A trial balance, to prove that your Ledger is now in balance, should be taken, and if correct will correspond with the following:

TRIAL BALANCE OF LEDGER BALANCES, APRIL 1, 18—.

RESOURCES (Dr. Balances).		LIABILITIES (Cr. Balances.)	
Cash,	2337.22	J. D. Morgan,	450.00
Merchandise,	2830.00	D. Hammond,	475.00
Expense,	475.00	Miller & Beach,	395.00
A. O. Steele,	482.50	Bills Payable,	600.00
Jas. T. Wood,	145.00	E. L. & E. B. King,	400.00
Sherman, French & Co.,	311.25	Total Liabilities,	2320.00
Bills Receivable,	350.00	Student's Present Worth,	4610.97
Total Resources,	6930.97		6930.97

From the preceding explanations and operations we deduce the following general instructions for

CLOSING THE LEDGER.

[138] It is customary in business, once a year at least, to cause the Proprietor's account in the Ledger to show its true relation to the business; that is, the proprietor's present worth. [139] To do this, it is necessary to close *only* the accounts which show losses and gains; because in these accounts are entered all the transactions which make the proprietor worth more or less. The Net Gain or Net Loss found by closing these accounts is entered in the Proprietor's account, which will then show the true present worth.

[140] The remaining accounts, those showing resources and liabilities, need not be closed for this purpose, as they simply show *of what such present worth consists*, and closing them in no way affects the Proprietor's account. [141] They may be closed, however, to mark a period in the business, or for the purpose of causing each account to exhibit in a single amount, convenient for inspection, its exact net debit or exact net credit, as the case may be.

[142] Any account may be closed at any time, without reference to a general closing of the Ledger. As, for instance, if the footings become very large and unwieldy, the account may be closed and the balance carried forward; or, in the case of a personal account, if an adjustment is had and the correct balance determined, it is desirable to close the account and carry forward the balance agreed upon at that time; or, if the space assigned an account becomes filled, the account may be closed and the balance transferred to a new account.

[143] It is not customary in business, even at a general closing of the Ledger, to close all of the personal accounts. The Ledger of a large business house not infrequently contains personal accounts reaching into the thousands, and to close all of these would involve a great amount of unnecessary labor. Personal accounts, therefore, are, as a rule, allowed to remain open until closed by payment in the regular course of business.

Student.

188-						188-					
Jan.	1		1	300		Jan.	1		1	4000	
"	18		2	75		Mar.	7		7	1000	
Feb.	17		5	100		"	31	Loss & Gain	16	770	34
Mar.	24		8	125							
				600							
	31	Pres. North		5170	34						
				5770	34					5770	34
						Apr.	1	Pres. North		5170	34

Cash.

188-						188-					
Mar.	22		8	292	50	Mar.	21		8	1200	
	28		8	300	64	"	24		8	125	
	30		9	100		"	29		9	75	
				15871	91	"	31		9	3000	
										15530	49
							31	Balance	21	341	42
				15871	91					15871	91

Merchandise.

188-						188-					
Mar.	18		7	9779	50	Mar.	15		7	7695	12
				215						853	50
"	31	[illegible]		853	12						
				10798	12	"	19		8	127	50
						"	22		8	292	50
						"	26		8	409	
										9377	62
							31	Inventory		1420	50
				10798	12					10798	12
Apr.	1	Inventory		1420	50						

H. W. Stevens.

188-						188-					
Feb.	20		5	350		Mar.	1		6	775	
				225						235	
"	26		5	200						1210	
				775							
				1210						1210	
						Apr.	1	Balance		435	

NOTE.—These accounts do not represent the work of the text-book, and are given only as a general illustration of how such accounts should be closed.

James T. Hoag.

188-							188-					
Jan	20		2	350			Jan	12		1	350	
Feb.	7		4	56	25		Mar.	7		7	25	
Mar.	3		6	67	50			31	Balance		123	75
				123	75						123	75
Apr.	1	Balance		98	75							

Expense.

188-						188-					
Mar.	9		7	5 15	30	Mar.	31	Inventory		300	-
"	29		9	4	75	"	31	Loss & Gain	16	320	05
"	31		9	75							
				25							
				620	05					620	05
Apr.	1	Inventory		300							

Interest.

188-						188-					
Feb.	25		5		85	Feb.	17		5		30
Mar.	26		8	1	07	Mar.	20		8	1	23
	31	Loss & Gain	16	1	95		28		8		64
				2	17					2	17

Loss & Gain.

188-						188-					
Mar.	31	Expense.	6	320	05	Mar.	31	Mdse.	4	803	62
	31	Discount	13	13	48	"	31	Interest	12		25
				3	34						
					53						
			1			"	31	Real Est.	13	300	
				1103	87					1103	87

GENERAL RULES FOR CLOSING THE LEDGER.

[144] Open an account with *Loss and Gain*, following the last account in your Ledger, if you have not already opened such an account.

[145] To economize time, and to avoid omissions, it is desirable to close the accounts in the order in which they stand in the Ledger, omitting the Proprietor's account until all the other accounts in the Ledger have been closed.

ACCOUNTS SHOWING LOSSES AND GAINS HAVING INVENTORIES CLOSED.

[146] If an account has a Resource Inventory, enter the amount of it on the *credit* side of the account, IN RED INK, using for explanation *Inventory*. [147] If an account has a Liability Inventory, enter the amount of it on the *debit* side of the account, in red ink, using for explanation *Inventory*. [148] Next enter, on the smaller side of the account, in red ink, the difference between the sides, using for explanation *Loss and Gain*. [149] Next rule up the account and enter the footings, carrying the Inventory below the rulings, on the opposite side of the account, in black ink. [150] Next transfer the loss and gain amount to the opposite side of Loss and Gain account, in black ink, using for explanation the title of the account you are closing as *Expense* or *Merchandise*.

ACCOUNTS SHOWING LOSSES AND GAINS HAVING NO INVENTORIES CLOSED.

[151] Enter, on the smaller side, in red ink, *Loss and Gain* and the difference between the sides of the account. Rule up the account, enter the footings, and transfer the loss and gain amount to the opposite side of Loss and Gain account, in black ink, using for explanation the title of the account you are closing, as *Mdse.*, *Real Estate*, etc.

ACCOUNTS SHOWING RESOURCES AND LIABILITIES CLOSED

[152] Enter, on the smaller side of the account, in red ink, *Balance* and the difference between the sides. Rule and foot the account, and carry the difference below the rulings, on the opposite side, in black ink, using for explanation *Balance*.

[153] LOSS AND GAIN ACCOUNT CLOSED.

Enter on the smaller side of Loss and Gain account, in red ink, the proprietor's name and the difference between the sides, which difference will be the Net Gain or Net Loss. Rule and foot the account, and carry the difference to the opposite side of the proprietor's account, in black ink, using *Loss and Gain* for explanation. In case of a partnership, the difference should be divided according to the terms of the partnership contract, and each partner's name and share entered separately in the Loss and Gain account, and afterward transferred to the opposite side of his individual account.

[154] THE PROPRIETOR'S ACCOUNT CLOSED.

Enter on the smaller side, *Present Worth* and the difference between the sides, in red ink. Rule and foot the account, and bring the difference below the rulings on the credit side of the account, in black ink, using *Present Worth* for explanation. In case the debit side of the proprietor's account is greater, the difference will be entered as *Insolvency*. In case of a partnership, each partner's account should be closed as described above. This completes the closing of the Ledger.

QUESTIONS FOR REVIEW.

Page 41.—[138] How frequently is it customary in business to cause the Proprietor's account to show its true relation to the business? [139] To do this, what accounts is it necessary to close? [140] Why is it not necessary to close all the accounts at this time? [141] When may all the accounts be closed, and for what purpose? [142] May any account be closed at any time, and if so for what purpose? [143] Is it customary in business to close, at any time, all of the personal accounts in the Ledger? Page 42.—[144] What is the first step to take in closing a Ledger? [145] In what order should the accounts be closed? [146–150] Give the general rules for closing accounts showing losses and gains and having inventories. [151] For those showing losses and gains and having no inventories. [152] For those showing resources and liabilities. [153] For the Loss and Gain account. [154] For the Proprietor's account.

BUYING PRICE LISTS FOR APRIL AND MAY.

	List No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Beans,	2.00 bu.	1.75	2.00	1.85	1.75	1.90	2.00	2.10	2.15	2.05
Barley,	.75 bu.	.80	.75	.85	.80	.85	.90	.85	.80	.75
Corn,	.50 bu.	.45	.40	.50	.45	.55	.50	.45	.40	.45
Clover Seed,	4.00 bu.	4.50	4.00	3.75	3.50	4.00	4.25	4.00	3.50	3.75
Flax,	1.50 bu.	1.25	1.75	1.50	1.25	1.50	1.25	1.75	1.50	1.25
Millet,	1.00 bu.	1.10	1.00	1.05	1.15	1.10	1.00	.95	.90	1.00
Oats,	.35 bu.	.32	.35	.33	.34	.36	.35	.33	.34	.32
Peas,	2.10 bu.	2.20	2.15	2.10	2.00	2.05	2.15	2.10	2.20	2.00
Rye,	.60 bu.	.55	.60	.65	.50	.55	.60	.55	.50	.55
Wheat,	1.05 bu.	1.10	1.00	1.05	.95	1.00	1.05	.95	1.00	.95

SELLING PRICE LISTS FOR APRIL AND MAY.

	List No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Beans,	2.10 bu.	1.85	2.05	1.95	1.80	2.00	2.05	2.15	2.20	2.10
Barley,	.85 bu.	.90	.80	.90	.85	.95	.95	.90	.85	.80
Corn,	.60 bu.	.55	.50	.60	.55	.60	.55	.50	.45	.55
Clover Seed,	4.50 bu.	4.75	4.25	4.10	3.80	4.15	4.40	4.20	3.60	3.85
Flax,	2.00 bu.	1.65	2.00	1.75	1.50	1.65	1.50	1.90	1.75	1.50
Millet,	1.25 bu.	1.30	1.25	1.30	1.40	1.35	1.20	1.15	1.10	1.15
Oats,	.40 bu.	.36	.38	.36	.37	.40	.38	.37	.38	.35
Peas,	2.35 bu.	2.40	2.30	2.25	2.20	2.25	2.30	2.35	2.40	2.25
Rye,	.75 bu.	.65	.70	.75	.62	.65	.70	.65	.60	.65
Wheat,	1.15 bu.	1.20	1.10	1.15	1.05	1.10	1.15	1.05	1.10	1.05

NOTE.—After having been assigned by the teacher the number of price list to be used in the following set, the pupil is advised to copy it on a separate sheet of paper, as illustrated below. This will put the list in a form convenient for use, and render mistakes less liable to occur in making the extensions.

Buying Price.	*List No. 1.*	*Selling Price.*
2.00	Beans,	2.10
.75	Barley,	.85
.50	Corn,	.60
4.00	Clover Seed,	4.50
1.50	Flax,	2.00
1.00	Millet,	1.25
.35	Oats,	.40
2.10	Peas,	2.35
.60	Rye,	.75
1.05	Wheat,	1.15

MEMORANDA OF TRANSACTIONS FOR APRIL.

1. ———— (Student) commenced business this day, and invested cash, 5000.00.
2. Bought of C. W. Bond, for cash, 100 bu. Wheat; 50 bu. Beans.
" Deposited in College National Bank cash 4000.00 (*memorandum; no Journal entry required*).

NOTE.—An account with the Bank is sometimes kept in the Ledger, debiting it for all deposits and crediting it for all sums drawn out. This plan is not now generally observed in business, but all transactions with the bank are treated as cash transactions. When, therefore, money is deposited in the bank, no entry is required crediting cash, the cash so deposited being considered practically as on hand, because it is not paid out, in the sense of being disposed of, as the bank simply becomes the custodian of it in place of our safe or drawer. When, however, checks are drawn by us on the bank ordering payment to be made of the cash so deposited, to other parties, then entries must be made crediting cash, because the amount in bank (that is, our cash) is reduced to just the extent of the checks so drawn.

3. Sold Clarkson & Co., for cash, 50 bu. Wheat, 20 bu. Beans.
4. Bought of B. D. Lord, on account, 100 bu. Millet, 100 bu. Corn, 100 bu. Flax, 200 bu. Oats.
5. Sold Ogden & Boyce, on account, 50 bu. Millet, 20 bu. Beans, 50 bu. Flax.
6. Paid Miller & Co.'s bill for office books and stationery, in cash, 35.00.
8. Bought of Smith & Pond, on my note at 15 days, payable at College National Bank, 50 bu. Clover Seed.
9. Paid B. D. Lord, to apply on account, by check on College National Bank 100.00 (*credit Cash*). (A form of bank check filled out, is given below.)
10. Sold Geo. D. Carter, for cash, 10 bu. Clover Seed, 50 bu. Oats.
" Paid cash for two tons of coal for office use, 9.50.
12. Sold Nathan McDonald, on his note at 15 days, 20 bu. Clover Seed, 50 bu. Oats, 25 bu. Millet.
15. Bought of Brewster & Co. on account, 200 bu. Rye, 100 bu. Barley, 100 bu. Peas, 200 bu. Wheat.
16. Received cash of Ogden & Boyce, to apply on account, 100.00.
" Paid Briggs & Son's bill for office safe by check on College National Bank, 300.00.
18. Bought of W. E. Ross, on my note at 30 days, with interest, payable at College National Bank, 100 bu. Beans, 200 bu. Corn, 100 bu. Clover Seed.
" Deposited cash in College National Bank, 500.00. (*See note above.*)
19. Paid B. D. Lord on account, by check on College National Bank, 150.00.
20. Sold E. W. & B. W. McMaster, on their note at 20 days, with interest, 50 bu. Peas, 50 bu. Clover Seed, 100 bu. Rye.
22. Received cash of Ogden & Boyce on account, 50.00.
23. Sold Benj. D. Collins, on account, 50 bu. Barley, 20 bu. Flax, 25 bu. Millet, 100 bu. Wheat.
25. ———— (Student) drew cash from the business for his private use, 100.00.

No. 934. CINCINNATI, O., Sept. 24, 1884.

FOURTH NATIONAL BANK,
OF CINCINNATI

PAY TO James H. Williams, OR ORDER,
Seventeen Hundred Nine DOLLARS,
$ 1709. John Huntington

MEMORANDA OF TRANSACTIONS FOR APRIL (Continued).

26. My note of the 8th inst. favor of Smith & Pond, due to-day, has been paid and charged to my account at College National Bank (credit Cash).

NOTE.—A note or other commercial paper made by a depositor, and drawn payable at the bank with which he keeps an account, is paid by the bank and charged to his account, on presentation at maturity, the same as if it were a check, providing, of course, the depositor has sufficient funds in the bank to meet it.

27. Paid Brewster & Co. on account, by check on College National Bank, 200.00.

" Sold Ogden & Boyce, on account, 100 bu. Oats, 50 bu. Barley, 25 bu. Rye, 100 bu. Corn.

29. Received cash of Benj. D. Collins, in full for the invoice of Merchandise sold him the 23d inst.

30. Paid clerks' salaries for the month in cash, 75.00.

" Received cash of Nathan McDonald, for his note of 12th inst. due to-day.

" Deposited cash in College National Bank, 300.00.

NOTE TO THE STUDENT.—Having completed the work of entering the foregoing transactions into your Journal, test the correctness of your extensions of Merchandise bought and sold, in the following manner: On a slip of paper, place in one column all Merchandise bought, and in another column all Merchandise sold for the entire month. Foot these columns and compare the footings thus obtained, with the figures given under the number corresponding with the list which you used, and if your work is correct they will agree. The *upper* amount is the total of Merchandise bought; the *lower* amount the total sold for the entire month.

MERCHANDISE BOUGHT AND SOLD.

No. 1.	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
2090.00	2111.50	2075.00	2051.00	1895.50	2082.00	2122.50	2076.00	1975.50	1964.00
1317.75	1297.75	1260.50	1259.25	1180.00	1256.25	1260.00	1240.25	1174.50	1168.25

If your footings of merchandise bought and sold agree with those given above, you will next proceed to post. Give Cash a whole page, Merchandise 30 lines, Expense, 20 lines, and Bills Receivable and Bills Payable each 15 lines space. Give every other account 10 lines space. After the posting has been completed, take a trial balance (not a balance sheet) to prove that the Ledger is in balance, preparatory to continuing the work of the month of May. Should your trial balance indicate that your Ledger is not in balance, the following directions are to be observed in locating the error. Apply the tests in the order in which they are given.

SPECIAL INSTRUCTIONS REGARDING TRIAL BALANCES.

[1] Make out every Trial Balance with ink, in proper form, on a Trial Balance sheet. [2] Do the work carefully in every particular. Much time is spent correcting errors that are due, not to a lack of knowledge of the work in hand, but simply to a lack of care. [3] A book-keeper must learn to find mistakes, although a constant effort should be made to avoid them. If the Trial Balance does not at first balance, do not be discouraged, for a systematic search will always disclose the error. The accompanying instructions should be followed explicitly, and in the order given.

TO FIND ERRORS WHEN THE TRIAL BALANCE DOES NOT BALANCE.

First.—[4] Review carefully the addition of the Trial Balance.

Second.—[5] Find the exact amount out of balance. [6] Look for this amount in the Journal, and in all other books from which posting is done; also, look for one-half the amount, and see if such amounts are posted correctly.

Third.—[7] Review the additions of the Ledger accounts, and see if all footings have been transferred correctly from Ledger to Trial Balance.

Fourth.—[8] See if all previous balances and inventories have been brought down below the rulings on the proper side.

Fifth.—[9] See that no amount has been entered on the wrong side, omitted, or entered twice in the Trial Balance.

Sixth.—[10] Check the posting in the order of dates, beginning at date of last Trial Balance, as follows:

(A) [11] See that the Journal entries of each transaction balance;

(B) [12] Check each entry in Ledger, in the order of the original posting, as found to be correct. Place a check mark in pencil, thus, √, in the Ledger against each item examined and found to be correctly posted. ([13] Sharpen your pencil and make very small, light check marks that may afterwards

be erased.) [14]*Never review the posting without checking in the Ledger.* [15]The probable location of an error may frequently be determined by its amount. An error of several thousand dollars could only be in accounts containing large amounts, or a balance placed on the wrong side, or the omission of an account. An error of only a few cents is likely to be in interest or discount or the omission of the cents in posting some amount. [16]If the amount out of balance is exactly 1.00, 10.00, 100.00, 1000.00, etc., the error is usually in addition. [17]If the amount out of balance is divisible by nine, the error may be a transposition of figures. This point is only valuable in checking over the work that you may not overlook such an error. [18]Poor figures cause many of the errors in book-keeping. Errors may be made because figures are improperly formed, and therefore, are misread; figures may not be written in columns, thus causing mistakes in addition, or corrections may be carelessly made, rendering the figures illegible. A good book-keeper must make good figures.

[19]The acquiring of a habit of accuracy is one of the valuable things that book-keeping teaches, and a constant effort should be made to improve in this particular. [20]A permanent record of errors, kept perhaps on one of the fly leaves of the text-book, will be of value in showing what errors you are most liable to make, and thus enable you to guard against them.

In case it becomes necessary to review and check the posting, and an error is found by this process, but which is not the amount required to make the trial balance prove, correct the error thus discovered; then find the exact amount still required to make the Ledger balance, and again apply the short tests given on page 47 before going on with the examination of the posting. Continue in this way until the trial balance balances.

CORRECTION OF ERRORS.

The manner of correcting an error depends upon the nature of it, and upon the book in which it appears. As a rule, erasures should not be made in any of the books, and particularly in the books of original entry.

In case of an error consult the teacher for instructions regarding its correction.

MEMORANDA OF TRANSACTIONS FOR MAY.

1. Bought of Oliver & Kennard, 150 bu. Beans, 100 bu. Peas. Paid them on above, by check, 200.00; balance on account. (*Credit Cash for the amount of the check.*)
2. Received of Ogden & Boyce, their note at 15 days in full of account.
3. Paid rent of store for month of April, in cash, 50.00.
4. Sold J. B. Eddyfield, 100 bu. Peas, 25 bu. Clover Seed, 50 bu. Beans. Received cash, 100.00, and his note at 30 days, with interest, for balance.
6. Paid B. D. Lord in full of account, by check.
7. Bought of J. T. & A. H. Gorsline, on my note at 60 days, payable at College National Bank, 100 bu. Clover Seed.
" Sold Benj. D. Collins, on account, 50 bu. Rye, 25 bu. Clover Seed, 50 bu. Wheat.
8. Paid April gas bill, in cash, 4.25.
10. Paid Oliver & Kennard, on account, by check, 100.00.
" Sold Hopkins & Son, on their note at 45 days, 150 bu. Beans, 50 bu. Peas.
12. Gave Brewster & Co. my note at 30 days, with interest, payable at College National Bank, to apply on account, 300.00.
13. Bought of B. D. Lord, on account, 100 bu. Barley, 500 bu. Oats, 300 bu. Wheat.
" Received cash of E. W. & B. W. McMaster, in full for their note of April 20th, and 23 days' interest. (*Remember to compute interest and discount at 6%, on a 360-day basis.*)
15. Benj. D. Collins has returned for credit, by special agreement, 50 bu. Rye sold him 7th inst., at the price he paid, less 2¢ per bu.
" Deposited cash in College National Bank, 300.00.
16. Sold A. D. Larkin & Bro., 200 bu. Wheat, 100 bu. Corn, 300 bu. Oats. Received cash, 100.00; balance on account.
17. Paid Oliver & Kennard, on account, by check, 100.00.
18. Bought of Brewster & Co., on account, 200 bu. Millett, 100 bu. Flax.
19. Gave B. D. Lord my note at 10 days, with interest, payable at College National Bank, in full of invoice 13th inst.
" Sold Morgan, Jessup & Morgan, 100 bu. Wheat, 75 bu. Millet, 60 bu. Flax. Received cash, 150.00; balance on account.
20. Received cash of Ogden & Boyce, in full for their note of 2nd inst., due to-day.

MEMORANDA OF TRANSACTIONS FOR MAY (Continued).

20. Bought of Jerome Osgood, on my note at 20 days, with interest, payable at College National Bank, 175 bu. Beans, 200 bu. Peas, 75 bu. Clover Seed.
21. My note of April 18, favor of W. E. Ross, and 33 days' interest, due to-day, has been paid and charged to my account at College National Bank.
23. Sold Gordon & Fisher, on their note at 15 days, with interest, 75 bu. Peas, 15 bu. Clover Seed, 55 bu. Beans.
25. Prepaid my note of 7th inst., favor of J. T. & A. H. Gorsline, by check, less discount to maturity, 45 days.
26. Sold Jas. H. Cone, for cash, 18 bu. Peas, 65 bu. Barley, 35 bu. Millet.
27. Paid rent of store for May, in cash, 50.00.
28. Hopkins & Son prepaid their note of 10th inst., in cash, less discount to maturity, 30 days.
" Deposited cash in College National Bank, 600.00.
29. Received cash of Morgan, Jessup & Morgan, on account, 100.00.
30. Sold Ogden & Boyce, on account, 70 bu. Flax, 50 bu. Wheat, 200 bu. Oats, 35 bu. Barley, 100 bu. Corn.
31. Paid clerks' salaries in cash, 75.00.

INVENTORIES, MAY 31, 18—.

MERCHANDISE (at cost), 180 bu. Beans, 180 bu. Clover Seed, 50 bu. Wheat, 90 bu. Millet, 107 bu. Peas, 75 bu. Rye.

EXPENSE, Office safe, at cost.

After entering the foregoing transactions in your Journal, you will then post, giving each new account to be opened ten lines space.

The cash on hand (in safe and in bank) as shown by your cash account, should agree with the result given below, under the price list number corresponding to your own.

No. 1.	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No 9.*	*No 10.*
4166.39	4061.28	4105.07	4167.65	4178.34	4086.07	4065.04	4090.00	4185.41	4114.15

After the posting has been completed make out a Balance Sheet. If your Trial Balance should not balance consult and follow the special instructions on page 47. Your net gain, or net loss, should agree with the result given below, under the price list number corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 8.*	*No. 9.*	*No. 10.*	NET LOSS.	*No. 7.*
	187.34	93.18	26.87	56.10	51.34	23.67	10.20	.81	13.15		13.16

Present your Balance sheet to the teacher for approval, after which close all the accounts in the Ledger, full directions for which are given below.

GENERAL DIRECTIONS FOR CLOSING THE LEDGER, MAY 31, 189–.

1st.—Open an account in the Ledger with Loss and Gain. (*See 144, page 44.*)

2nd.—Close Merchandise account. (*See 146, 148, 149, 150, page 44.*) Remember the instructions regarding the red and black ink entries; also, observe carefully the ruling, as shown in the accounts closed on pages 42 and 43.

3rd.—Close B. D. Collins' account. (*See 152, page 44.*)

4th.—Close Expense account. (*See 146, 148, 149, 150, page 44.*)

5th.—Close Bills Receivable account. (*See 152, page 44.*)

6th.—Close Interest account. (*See 151, page 44.*)

7th.—Close the accounts of A. D. Larkin & Bro., Morgan, Jessup & Morgan, and Ogden & Boyce. (*See 152, page 44.*)

8th.—Close the accounts of Bills Payable, Brewster & Co., and Oliver & Kennard. (*See 152, page 44.*)

9th.—Close Discount account. (*See 151, page 44.*)

10th.—Close Loss and Gain account. (*See 153, page 44.*)

11th.—Close the Proprietor's account. (*See 154, page 44.*)

After completing the work of closing the Ledger, hand your books to the teacher for inspection.

SHIPMENTS AND CONSIGNMENTS.

[1]A **Shipping Business** is one in which the proprietor is engaged in buying goods and shipping them away to be sold by agents, who receive for their services a certain per cent. on the sales.

[2]A **Commission Business** is one in which the proprietor is engaged in receiving goods from others to sell for them in the capacity of an agent, receiving for his services a certain per cent. on the sales.

[3]A **Shipping and Commission Business** is one in which the proprietor is engaged both in shipping and receiving goods to be sold on commission.

Shipments.—[4] When property is shipped to be sold on commission, the person who ships it opens an account upon his books with "Shipment," to represent the property which has passed from his *possession* but not from his *ownership.* [5] To distinguish different shipments, the name of the person to whom shipped, and the number of the shipment are generally used, thus: "Shipment to Brown & Co., No. 1." [6] The person who ships the property is called the "Consignor." [7] The person who receives the property is called the "Consignee." [8] After the consignee has disposed of the property, a statement showing the sales and all the charges is rendered to the consignor. Such a statement is called an "Account Sales." [9] The difference between the sales and all the charges is called the "Net Proceeds." [10] After the shipment has been credited with the net proceeds, it will show either a gain or a loss. [11] If a statement of the business were to be made before receiving an account sales, the value of the shipment would be treated as a resource inventory.

Rule for Journalizing Shipments.

[12] *Debit the Shipment, at the time the property is shipped, for its value (usually the cost), and all expenses.*

[13] *Credit the Shipment, at the time of receiving the account sales, for the net proceeds.*

Consignments.—[14] When property is received to be sold on commission, the party receiving it opens an account upon his books with "Consignment," to represent the property which has come into his *possession,* but not his *ownership.* [15] To distinguish different consignments, the name of the consignor is generally used, and the number of the consignment, thus: "J. D. Winslow's Consignment, No. 1." [16] After the closing entry has been made, debiting the consignment for the charges and net proceeds, the consignment will balance. [17] If a statement of the business were to be made before closing the consignment, and the charges upon it to the time of the statement exceeded the sales, the excess would be a resource; [18] if the sales exceeded the charges, the excess would be a liability.

Rule for Journalizing Consignments.

[19] *Debit the Consignment for all charges paid when the property is received;* [20] *debit it for all subsequent charges, and for the net proceeds.*

[21] *Credit the Consignment for all sales of property belonging to it.*

EXAMPLE No. 1.

	Shipt. to King & Co., No. 1.	Shipped to be sold on our acct. and risk,	322	00		
	To Mdse.	40 tubs Butter, 2000 lbs. net, 16¢,			320	00
	Cash.	Paid cartage,			2	00

EXAMPLE No. 2.

	Cash,	Received an account sales of Butter, net	367	50		
	To Shipt. to King & Co., No. 1,	proceeds remitted in cash,			367	50

EXAMPLE No. 3.

	Gordon & Bro., Con. No. 1,	Received to be sold on their acct. and risk,	10	00		
		50 boxes Florida Oranges,				
	To Cash,	Paid freight,			10	00

EXAMPLE No. 4.

	Cash,	Sold for cash,		200	00		
	To Gordon & Bro., Con. No. 1,	50 boxes Florida Oranges,	4.00			200	00

EXAMPLE No. 5.

	Gordon & Bro., Con. No. 1,	Rendered account sales 50 boxes Oranges,		190	00		
	To Storage,	Charges,				2	00
	Commission,	10% on sales,				20	00
	Cash,	Net proceeds remitted,				168	00

The net proceeds, 168.00, are found by deducting from the amount of the sales, 200.00, the total charges as follows: Freight, 10.00, Storage 2.00, Commission 20.00, making the total charges 32.00. This amount being deducted from the sales, 200.00, leaves 168.00 as the net proceeds.

MEMORANDA OF TRANSACTIONS FOR JUNE.

1. Commenced the Shipping and Commission business and invested, cash, 4000.00.
" Bought, for cash, 200 tubs Butter, 10,000 lbs., at 18¢; 200 crates Eggs, 6,000 doz., at 15¢; 100 boxes Cheese, 6,000 lbs., at 12¢.
5. Shipped to Comstock & Daniels, Philadelphia, to be sold on my acct. and risk, 100 tubs Butter, 5,000 lbs., invoiced at 18¢. Paid cartage, in cash, 3.00. (*See 4, 5, and 12, page 50; also, see Example No. 1, page 50, for form of Journal entry.*)
7. Shipped to Lockwood & Co., Jamestown, to be sold on my acct. and risk, 100 crates Eggs, 3,000 doz., invoiced at 15¢. Paid cartage, in cash, 4.00.
10. Received from Geissman & Co., New York, to be sold on their acct. and risk, 40 boxes Florida Oranges. Paid freight and cartage, in cash, 7.50. (*See 14, 15, and 19, page 50; also, see Example No. 3, page 50, for form of Journal entry.*)
12. Received from Selleck & Sons, Boston, to be sold on their acct. and risk, 75 boxes Lemons. Paid freight and cartage, in cash, 15.00.
13. Received from Comstock & Daniels an account sales of the Butter shipped them 5th inst. Our net proceeds remitted in cash, 1008.50. (*See 8, 9, 10, and 13, page 50; Example No. 2, page 50.*)
14. Sold, for cash, 40 boxes Florida Oranges, belonging to Geissman & Co.'s Consignment No. 1, at 4.00. (*See 21, page 50; see also Example No. 4, page 51.*)
" Closed Geissman & Co.'s Con. No. 1, and rendered them an account sales. Storage charges, 2.00. Commission, 10% on sales, 16.00. Geissman & Co.'s net proceeds remitted in cash, 134.50 (*See 20, page 50; see also Example No. 5, page 51.*)
17. Received from Geo. J. Johnson, Baltimore, to be sold on his account and risk, 200 bunches Bananas. Paid freight and cartage, in cash, 10.50.
18. Shipped Craig, Cook & Co., Detroit, to be sold on my acct. and risk, 100 boxes Cheese, 6,000 lbs., invoiced at 12¢. Paid cartage, in cash, 3.00.
20. Sold, for cash, 50 tubs Butter, 2,500 lbs., at 24¢; 50 crates Eggs, 1,500 doz., at 18¢.
21. Received from Lockwood & Co., an account sales of 100 crates Eggs, shipped them 7th inst. My net proceeds remitted, in cash, 425.50.
23. Bought of the Meaker Dairy Co., on acct. 30 days, 50 tubs Butter, 2,500 lbs., at 18½¢.
24. Sold, for cash, from Selleck & Sons Con. No. 1, 75 boxes Lemons at 3.50.
" Closed Selleck & Sons Con. No. 1, and rendered them an account sales. Storage charges, 3.50. Commission 10% on sales. Their net proceeds remitted in cash.
25. Shipped Morgan Bros., Albany, to be sold on my acct. and risk, 50 tubs Butter, 2,500 lbs., invoiced at 18½¢. Paid cartage, in cash, 1.50.
27. Received from Craig, Cook & Co., an acct. sales of Cheese shipped them 18th inst. Net proceeds due in 30 days, placed to my credit, 850.62. (*Debit Craig, Cook & Co.*)
28. Received from Geissman & Co., New York (Consignment No. 2), to be sold on their account and risk, 25 bbls., 2,500 Pineapples. Paid freight and cartage, in cash, 8.80.

29. Sold D. Deavenport & Co., City, on acct. 30 days, from G. J. Johnson's Con. No. 1, 200 bunches Bananas at 2.35, from Mdse. acct., 50 crates Eggs, 1,500 doz., at 18¢.

" Closed G. J. Johnson's Con. No. 1, and rendered him an acct. sales. Storage charges, 3.00. Commission 10% on sales. His net proceeds, due in 30 days, placed to his credit.

30. Sold, for cash, from Geissman & Co.'s Con. No. 2, 10 bbls., 1,000 Pineapples, at 8¢.

INVENTORY.—50 tubs Butter, 2,500 lbs., 18½¢, 462.50.

You will now post, make balance sheet, and close the Ledger. Give each acct. ¼ of a page space.

In making balance sheet, extend the accounts "Ship't to Morgan Bros., Albany, No. 1," and "Geissman & Co.'s Con. No. 2," in accordance with instructions 11 and 18 on page 50. NET GAIN, 554.87.

After completing the work of closing the Ledger, hand your books to the teacher, and prepare for an examination on all the preceding work.

QUESTIONS FOR REVIEW.

Page 5.—[1] What is Book-keeping? [2] The object of it? [3-4] How many methods, and what are they? [10] What is journalizing? [12] What must be the condition of the debits and credits in every journal entry? [13-14] How may the Day Book and Journal be combined? [15-16] Describe the Ledger. [17] What is an account? [20] What is posting? [22] How are the books in double entry classified? [23] What is a Principal Book? [24] An Auxiliary Book? [25] How many kinds of accounts in double entry? How may the debits and credits in any business transaction be determined? Page 6.—[26-31] Give the general rules for journalizing. [33-34] Into what two general classes are the three kinds of accounts divided? [35] When does an account exhibit a Loss? [36] When a Gain? [37] When a Resource? [38] When a Liability? [39] Upon which side is the excess when an account shows a Resource? [39] When it shows a Loss? [40] When it shows a Gain? [40] When it shows a Liability? [43-44] Give the rule for journalizing the Proprietor's account? Page 8.—[60-61] Give the rule for Cash? [58-59] What is included, usually, under this title? [64] When there is any difference in this account, which side will always be greater? [65] Why? [62-63] What is the difference, and what does it show? Page 9.—[68-69] Give the rule for Mdse. [66] What is usually included under this title? [67] What exception to including all goods under the general heading Mdse.? [76-77] Give the rule for Bills Receivable. [75] What is usually included under this title? [80] Which side of the account will always be greater, when there is any difference, and why? [78-79] What is the difference, and what does it show? Page 10.—[84-85] Give the rule for Bills Payable. [83] What is included under this title? [88-89] Which side of the account will always be greater, when there is any difference, and why? [86-87] What is the difference, and what does it show? Page 11.—[94-95] Give the rule for Expense. [92] What is usually included under this title? [93] What exceptions to including all such items under this title? [99-100] Give the rule for Interest and Discount. [103] To what other accounts will the rule for Interest and Discount apply? Page 24.—[104] From what does double entry book-keeping take its name? Page 26.—[105] What is a Trial Balance? [106-108] Why does the trial balance not prove the work to be absolutely correct? Page 30.—[1] What does an inventory generally represent? [2] What may it represent? [3] What will an inventory show in each case? [4] How is an inventory usually taken? [4] What price is generally placed upon the goods? [5] In what other way may an inventory be found? Page 31.—[6] For what purpose is a Balance Sheet made? [7] Describe the balance sheet. [10-11] Explain both methods of finding the gain on Mdse. account, when there is an inventory. Page 32.—[17] What is the difference between the total gains and total losses called? Could the net gain or net loss be found if no accounts showing losses and gains were kept? If so what is the object of keeping these accounts? [21-22] Give the two ways of finding the Present Worth of the proprietor. [24] When the liabilities exceed the resources, what is the difference called? Page 41.—[138] How often, usually, and for what purpose, are the accounts showing losses and gains closed in the Ledger? [141] When, and for what purpose, are *all* of the accounts in the Ledger closed? Page 44.—[146 and 148-150] Explain closing accounts having resource inventories. [147 and 149-150] Having liability inventories? [151] Accounts showing gains and losses having no inventories. [152] Accounts showing resources and liabilities. [153] How is the Loss and Gain account closed? How in case of a partnership? [154] How is the Proprietor's account closed? Pages 47–48.—[4-13] Tell how to find errors when the trial balance does not balance. [16] What is the character of the error, generally, when it is an even $1, $10, $100, $1000, etc.? [17] How may the error have been caused, if it is divisible by 9? [20] In examining the posting, why is it necessary to place a check mark in the Ledger? Page 50.—[4-13] Explain Shipments and give the rule for journalizing them. [14-21] Explain Consignments and give the rule for journalizing them. What will a shipment account show after the net proceeds have been credited? What will an unclosed consignment account show?

DRAFTS.

[1] A **Draft** is the written order of one party upon a second, requesting the payment of a sum of money to a third. [2] The primary object of the draft is to obviate the risk, inconvenience, and expense incident to transmitting money from place to place. To illustrate:

EXAMPLE No. 1.

Daniel H. Manning, of Rochester, N. Y., owes $2550 to W. H. Farley, of San Francisco, Cal., and Henry D. Morgan, of San Francisco, Cal., owes $2550 to Daniel H. Manning, of Rochester, N. Y. Now it will be readily seen that the payment of $2550 by Morgan to Farley, at the request of Manning, would cancel the indebtedness of both parties, and save Morgan the risk and expense of sending that amount of money from San Francisco to Rochester, to pay his debt to Manning, and likewise save Manning the risk and expense of sending the same amount from Rochester to San Francisco, to pay his debt to Farley.

To effect such a settlement of the indebtedness above described, a draft is employed as follows:

FORM OF DRAFT.

$2550.00 Rochester, N.Y., Oct. 1, 18-

At sight pay to the order of W. H. Farley
Twenty-five Hundred Fifty Dollars, value received,
and charge to the account of
To Henry D. Morgan, Daniel H. Manning.
San Francisco, Cal.

After Manning has drawn the draft in the form shown above, he sends it by mail to Farley, who, upon its receipt, presents it to Morgan for payment; if paid, the indebtedness of both Morgan and Manning will have been as fully discharged as if the *money* had been actually sent from San Francisco to Rochester by Morgan, to pay Manning, and then back again from Rochester to San Francisco by Manning, to pay Farley.

From the foregoing explanations it will be seen that the primary object of the draft is the settlement of indebtedness between persons residing in different places, without the actual transmission of money, and although drafts may be drawn in a variety of forms and used in various ways, yet the principal use of the instrument remains the same, viz.: the payment of debts without the risk, inconvenience, and expense of sending money. Safety in the payment of the money to the proper person is assured by having the draft made payable to Farley's order, so that even if it were lost or stolen before being received by Farley, it would be of no value to the illegal holder, as it would not be paid without Farley's endorsement.

THE PARTIES TO A DRAFT.

[3] The parties to a draft are Drawer, Drawee, and Payee. [4] The party drawing the draft is the Drawer. [5] The party upon whom the draft is drawn is the Drawee. [6] The party in whose favor the draft is drawn is the Payee.

In the foregoing draft Daniel H. Manning is the *Drawer*, Henry D. Morgan is the *Drawee*, and W. H. Farley is the *Payee*.

The entries which the parties will make in their books of account, in connection with the settlement of their indebtedness by means of the foregoing draft, are given below.

ENTRIES OF THE DRAWER, DRAWEE, AND PAYEE IN THE FOREGOING DRAFT.

(*a*) Manning's entry when he draws the draft and remits it to Farley on account.

W. H. Farley,	2550.00	
To Henry D. Morgan,		2550.00

MANNING *debits* FARLEY *because he gets out of* FARLEY'S *debt, and he credits* MORGAN *because* MORGAN *gets out of his debt.*

(*b*) Morgan's entry when the draft is presented and he pays it in cash.

Daniel H. Manning,	2550.00	
To Cash,		2550.00

MORGAN *debits* MANNING *because he gets out of* MANNING'S *debt, and he credits* CASH *because it is paid out.*

(*c*) Farley's entry when he presents the draft for payment and receives cash.

Cash,	2550.00	
To Daniel H. Manning,		2550.00

FARLEY *debits* CASH *because he receives it, and he credits* MANNING *because* MANNING *gets out of his debt.*

The pupil will now write the foregoing draft, on foolscap paper, observing carefully the model form for wording and arrangement. Next study and be prepared to answer the following

QUESTIONS.

What are the parties to a draft called? Who is the Drawer of the foregoing draft? Who the Drawee? Who the Payee? What gives Manning the right to draw the draft on Morgan? Why does Manning send the draft to Farley? Which two of the parties to a draft usually reside in the same place? When this draft has been paid, what has been accomplished by its use?

EXAMPLE No. 2.

W. G. Harding, of Baltimore, Md., owes Arthur Hamilton, of Buffalo, N. Y., $500, and Frank F. Wood, of Buffalo, N. Y., owes W. G. Harding a like amount. The indebtedness of the two parties is settled by a sight draft.

The pupil will write the draft called for in the above memorandum, in proper form, at the top of a sheet of foolscap paper, and below the draft write answers to the following

QUESTIONS.

Who is the Drawee of the above mentioned draft? Who the Payee? Who the Drawer? Why should Wood honor (that is pay) the draft drawn on him by Harding? Give the Drawer's entry and the reason for it. The Drawee's entry and the reason. The Payee's entry and the reason. State the relations of the parties as debtors and creditors before the draft was drawn. How were these relations affected by the payment of the draft?

HOW DRAFTS ARE DRAWN WITH REFERENCE TO TIME.

[7] Drafts may be drawn with reference to time in three ways, viz.: [8] At sight (as in the preceding examples), [9] a specified number of days after sight (that is, after acceptance), or [10] a specified number of days after date. The first are called [11] "Sight Drafts"; the other two are called [12] "Time Drafts."

[13] Sight Drafts are payable as soon as seen, and [14] are presented, therefore, for payment. [15] A check on a bank embodies the essential features of a sight draft.

[16] Time drafts are payable at a future time, and [17] are presented for acceptance. [18] "Acceptance," when applied to drafts, signifies the written acknowledgment of the Drawee, that he agrees to the

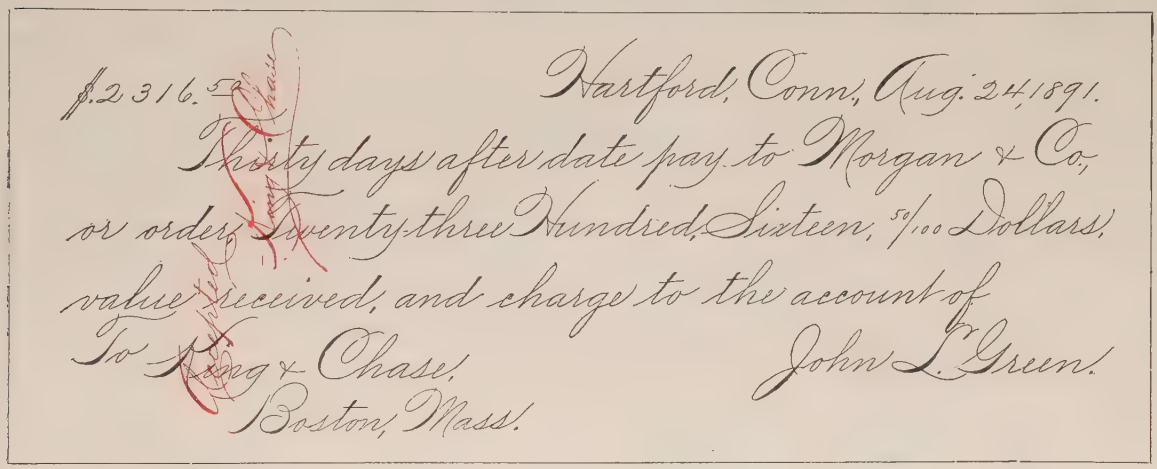
conditions named in the draft, and thus by "accepting" it, promises to pay the draft when it becomes due. [19] This he does by writing across the face of the draft the word "Accepted," the date, where payable, and his signature. [20] The acceptance should properly be made in red ink, to distinguish it from the other writing in the draft, but [21] this is not absolutely necessary, and is not always observed in business. [22] It is not necessary to date the acceptance when the draft is drawn at a given number of days after date, and although it may be done, it does not affect the maturity of the draft. [23] If no place of payment is incorporated in the acceptance, the draft, when due, is to be presented at the drawee's office for payment.

[24] It is quite a common practice in business when a Sight Draft is presented, for the drawee, if he keep a bank account, to accept it payable at his bank, the same as if it were a Time Draft. [25] It is then at once presented at the bank, paid and charged to his account the same as if a check had been given. This is not an "acceptance" in the full technical sense, but is rather an order on the bank to pay the draft and charge it to the drawee's account.

EXAMPLE No. 3.

John L. Green, of Hartford, Conn., desires to pay to Morgan & Co., of Boston, Mass., whom he owes, the sum of $2316.50. To do this he finds it necessary to make a draft on King & Chase, of Boston, who owe him at least an equal amount, and which is due in thirty days, and he therefore makes the following draft:

FORM OF TIME DRAFT, AFTER DATE.


$2316.50 Hartford, Conn, Aug. 24 1891.

Thirty days after date pay to Morgan & Co,
or order Twenty three Hundred Sixteen 50/100 Dollars
value received, and charge to the account of
To King & Chase. John L. Green.
Boston, Mass.

After drawing the draft, Green remits it to Morgan & Co., who present it to King & Chase for acceptance — that is, for their consent to the conditions named in the draft — and this they do by writing across the face of the draft as shown in the form above. By this act they issue a written promise to pay, and the accepted draft becomes to King & Chase, therefore, a Bills Payable. The draft being returned to Morgan & Co. bearing the written promise to pay of another party, becomes in their hands a Bills Receivable.

The pupil will write the above mentioned draft on cap paper in proper form as shown in the illustration, then study carefully the following entries and the explanations given in connection with them.

ENTRIES OF THE PARTIES TO THE FOREGOING DRAFT

(*a*) Green's entry when he draws the draft and remits it to Morgan & Co. on account.

Morgan & Co.,	2316.50	
To King & Chase,		2316.50

GREEN *debits* MORGAN & Co. *because he gets out of their debt, and he credits* KING & CHASE *because they get out of his debt.*

(*b*) King & Chase's entry when the draft is presented to them and they accept it.

John L. Green,	2316.50	
To Bills Payable,		2316.50

KING & CHASE *debit* GREEN *because they get out of his debt, and credit* BILLS PAYABLE *because they have issued their written promise to pay.*

The written acknowledgment and consent to the conditions named in the draft by King & Chase, as embodied in their acceptance, make it as much a Bills Payable to them as if they had given Morgan & Co. their note for a like amount.

(*c*) Morgan & Co.'s entry when they receive the draft from Green and it is accepted by King & Chase.

Bills Receivable,	2316.50	
To John L. Green,		2316.50

MORGAN & CO. *debit* BILLS RECEIVABLE *because they have received another party's written promise to pay, and they credit* GREEN *because he gets out of their debt, having by the draft ordered* KING & CHASE *to pay the money to* MORGAN & CO. *for him.*

[26] The Payee has no legal claim against the Drawee until the draft has been accepted. [27] If the draft is not paid by the Drawee, the Payee will have the same remedy against the Drawer which he would have against him as an endorser on a note.

EXAMPLE No. 4.

W. J. Grant, of Kansas City, Mo., owes Rockwell & Co., of New Orleans, La., $1525.50, and Pratt & McNeeley, of New Orleans, La., owe W. J. Grant a like amount. This indebtedness is settled by draft at 60 days from date, Dec. 10, 1889. Draft is accepted payable at the Creole National Bank.

The pupil will write in proper form the draft called for in the foregoing memorandum.

EXAMPLE No. 5.

Perry & Jackson, of Baltimore, Md., draw a draft dated Oct. 25, 1889, at ten days' sight, for $2414.25 on J. V. Wentworth, Albany, N. Y., favor of Willitson, Burgess & Hait, and remit it to them on account. The draft is accepted Oct. 31, 1889, payable at Traders Bank.

FORM OF DRAFT, AFTER SIGHT.

$ 2414.25 BALTIMORE, MD., Oct. 25, 188-

At ten days sight PAY TO

Willitson, Burgess & Hait, OR ORDER,

Twenty-four Hundred Fourteen 25/100 DOLLARS.

VALUE RECEIVED, AND CHARGE TO ACCOUNT OF

TO J. V. Wentworth
Albany, N.Y.

No. 24

Perry & Jackson.

The above draft differs from the one under Example No. 3, by [28] being drawn a given number of days after sight (*i. e.*, after acceptance), instead of after date, [29] necessitating the dating of the acceptance in order to show maturity, as the time for which the draft is drawn begins at the date of the acceptance. [30] The entries would be the same as in the other draft.

The pupil will write the above draft, observing the general arrangement of form of draft in Example No. 3, which is wholly written, accept it, and be prepared to make the entries for the three parties.

EXAMPLE No. 6.

Geo. T. Johnson, of Denver, Col., being indebted to Morgan & Weeks, of Cleveland, O., in the sum of $1000, he pays them by a draft dated Jan. 14, 1890, at 60 days' sight, on Osgood, Tower & Co., of Cleveland, O., who owe him. The draft is accepted Jan. 20, 1890, payable at Buckeye National Bank.

The pupil will write the draft called for in the above memorandum, and make the entries for all the parties.

QUESTIONS.

In how many ways may drafts be drawn with reference to time? What are they? What are the two kinds of drafts called? State for what purpose each is presented to the Drawee? What is meant by "Acceptance" as applied to drafts? How is a draft accepted? Where is the draft to be presented when due, in case no place of payment is included in the acceptance? What is a common practice in

business as to the manner of paying sight drafts? Name the Drawee, Drawer, and Payee of the draft in Ex. No. 4. Give its date of maturity. State the relations of the parties as debtors and creditors previous to the drawing of the draft. Give, in writing, the entries which each party will make in connection with the draft, and be prepared to state in each case the reason for such entry. What is required in a draft drawn after sight that is not required in one drawn after date? A draft is dated Dec. 31, 1889, drawn at two months after date; when is it due? A draft is dated Oct. 26, 1889, drawn at 90 days' sight, and accepted Oct. 31, 1889; when is it due? When does the time on a draft drawn after *sight* commence to mature? When on one after *date?*

DRAFTS FOR COLLECTION AND DISCOUNT.

[31] In addition to their use as a convenient and safe medium of exchange between different places, drafts are also employed for the purpose of making collections. Such drafts are made payable to the order of the drawer, or to the order of a bank, and are either discounted at a bank or left there for collection. [32] The use of such drafts is an effectual means of making collections as the drawee is compelled to pay or suffer the loss of credit incident to a protest of his paper; the draft thus may become, in a measure, a weapon for enforcing the payment of debts. [33] Business men sometimes find it necessary to draw on a customer in advance of the maturity of his account, in order to obtain cash for immediate use. This they do by drawing the draft at such number of days as will extend the payment on it to the time the account is due, and then deposit the draft in the bank, or otherwise dispose of it for cash less the discount

EXAMPLE No. 7.

James D. Martin, of Toledo, O., draws a draft in favor of himself for $500, dated Nov. 7, 1889, at 60 days from date, on Armour, Kean & Co., Chicago, Ill., and sells it for cash, less 63 days' discount, to Robt. Dowd & Bro.

[34] There need necessarily be but two parties to a draft. [35] The Drawer may make the draft payable to himself (using "myself," "ourselves," or the drawer's name), and it may then be placed in the bank for collection, or it may be discounted, if the drawer's credit is good.

FORM OF DRAFT, TWO PARTIES.

$500 $\frac{00}{100}$ Toledo, O., Nov. 7, 1889.

Sixty days after date, pay to the order of myself, Five Hundred Dollars, value received, and charge to the account of

James D. Martin.

To Armour, Kean & Co,

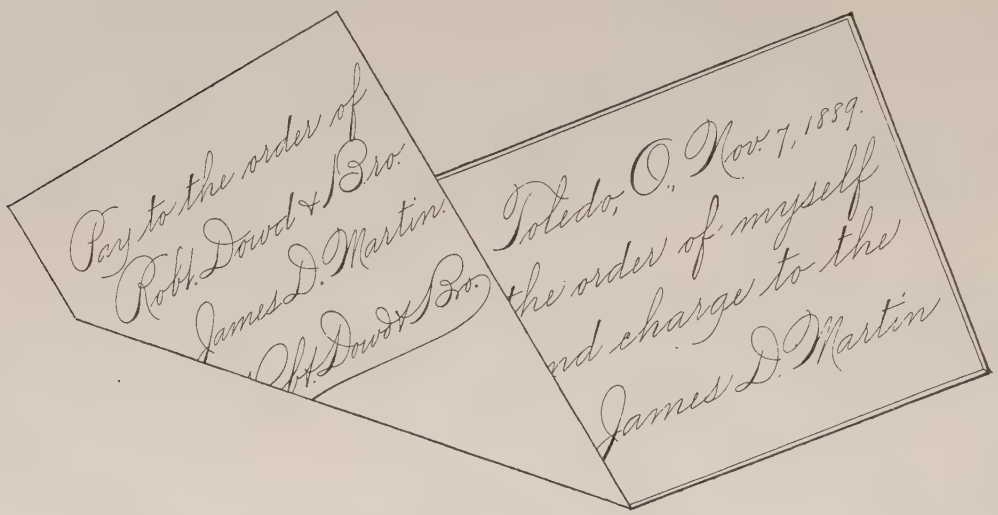
Chicago, Ill.

The Drawer in this case is also the Payee. [37] When Martin disposes of the draft to Robt. Dowd & Bro., he must endorse it. [38] This he may do by simply writing his name across the back of the draft, or [39] by writing *Pay Robt. Dowd & Bro., or order,* and signing his name underneath. [40] The first is called a *Blank endorsement;* [41] the second a *Full endorsement.*

[42] Drafts, notes, checks, or other commercial paper, when drawn payable to *order,* must be endorsed by the Payee if transferred to other parties.

Assuming that Martin transfers the foregoing draft to Dowd & Bro. by a full endorsement, and that Dowd & Bro., when they present it for payment to Armour, Kean & Co., endorse it in blank, the endorsements will appear on the back of the draft as shown on the following page:

ILLUSTRATION OF FULL AND BLANK ENDORSEMENTS.


Pay to the order of
Robt. Dowd & Bro.
James D. Martin.
Robt. Dowd & Bro.
Toledo, O., Nov. 7, 1859.
the order of myself
nd charge to the
James D. Martin

ENTRIES OF THE PARTIES TO THE FOREGOING DRAFT.

(*a*) Martin's entry when he draws the draft and sells it to Robt. Dowd & Bro. for cash less the discount.

Cash,		494.75	
Discount,		5.25	
	To Armour, Kean & Co.,		500.00

MARTIN *debits* CASH *because received; debits* DISCOUNT *because he allows it to others; credits* ARMOUR, KEAN & CO., *because they get out of his debt.*

(*b*) Dowd & Bro.'s entry when they buy the draft of Martin for cash less discount.

Bills Receivable,		500.00	
	To Cash,		494.75
	Discount,		5.25

DOWD & BRO. *debit* BILLS RECEIVABLE *because they receive the written obligation of other parties, due at a future time; credit* CASH *because paid out; credit* DISCOUNT *because it is allowed to them.*

(*c*) Armour, Kean & Co.'s entry when the draft is presented and they accept it.

James D. Martin,		500.00	
	To Bills Payable,		500.00

ARMOUR, KEAN & CO. *debit* MARTIN *because they get out of his debt; credit* BILLS PAYABLE *because they issue their written promise to pay, due at a future time.*

(*d*) Armour, Kean & Co.'s entry when the above acceptance becomes due and they pay it in cash.

Bills Payable,		500.00	
	To Cash,		500.00

ARMOUR, KEAN & CO. *debit* BILLS PAYABLE *because they redeem their written promise to pay; credit* CASH *because paid out.*

When the draft is presented to Armour, Kean & Co. for acceptance, they may prefer to pay it at once instead of accepting it, provided the holder will allow them the discount for the time it has to run. Assuming that this is done, the entry would be as follows:

(*e*) Armour, Kean & Co.'s entry should they pay the draft on presentation, in cash, less discount, instead of accepting it.

James D. Martin,		500.00	
	To Cash,		494.75
	Discount,		5.25

ARMOUR, KEAN & CO. *debit* MARTIN *because they get out of his debt; credit* CASH *because paid out; credit* DISCOUNT *because it is allowed to them.*

Even if they accept the draft, circumstances may arise which make it desirable for Armour, Kean & Co. to pay the acceptance before maturity, the holder of it allowing them the discount for the time it has to run. Their entry in such case would be:

(*f*) Armour, Kean & Co.'s entry should they prepay their acceptance as above, in cash, less 45 days' discount.

Bills Payable,		500.00	
	To Cash,		496.25
	Discount,		3.75

ARMOUR, KEAN & CO. *debit* BILLS PAYABLE *because they have redeemed their written promise to pay; credit* CASH *because paid out; credit* DISCOUNT *because it is allowed to them.*

EXAMPLE No. 8.

Parker & Chase buy of Charles D. Steele, for cash, less 63 days' discount, his draft dated at Pittsburg, Pa., Dec. 30, 1889, drawn in his own favor at 60 days' sight on Alex. Gardner & Co., New York, for $890.40.

QUESTIONS.

In the draft under Example No. 7, who is the Drawer? Who the Drawee? Who the Payee? Under what circumstances may there be but two original parties to a draft? What is required to be done by the Payee of a note, check, or draft which is drawn payable to his order, in case he desires to dispose of it? What are the two common forms of endorsement called? Describe both. Write the draft required in the memorandum under Example No. 8. The Payee transfers it by a full endorsement to the parties who buy it of him. Make the endorsement. Assume that Parker & Chase transfer the draft by a full endorsement to O. W. Latimer, who endorses it in blank when it is paid at maturity. Make the other endorsements. The draft is accepted Jan. 2, 1890, payable at Broadway National Bank. Write the acceptance. Show date of maturity. Make Steele's entry when he sells the draft to Parker & Chase. Make Parker & Chase's entry when they buy it. Make Gardner & Co.'s entry when they accept it. Make Gardner & Co.'s entry, assuming that they paid the draft when it was presented, less 63 days' discount, instead of accepting it. Make Gardner & Co.'s entry assuming that they accepted the draft and subsequently paid the acceptance 40 days before it was due.

SPECIAL INSTRUCTIONS FOR JOURNALIZING DRAFTS.

DRAWER'S ENTRIES.

[43] When he draws a draft and remits it to the Payee, to apply on account, he makes

Payee,
To Drawee.

[44] When he draws a draft and disposes of it, less discount, receiving cash for the proceeds.

Cash,
Discount,
To Drawee.

DRAWEE'S ENTRIES.

[45] When he accepts a draft drawn on him on account.

Drawer,
To Bills Payable.

[46] When he pays a sight draft on him, in cash.

Drawer,
To Cash.

[47] When he prepays a time draft, in cash, less discount, instead of accepting it.

Drawer,
To Discount,
" Cash.

[48] When he pays his acceptance at maturity, in cash.

Bills Payable,
To Cash.

PAYEE'S ENTRIES.

[49] When he receives a time draft from Drawer, to apply on account.

Bills Receivable,
To Drawer.

[50] When the Drawee prepays the draft in cash, less discount, instead of accepting it.

Cash,
Discount,
To Drawer.

[51] When he buys the draft of the Drawer, instead of receiving it on account, the Drawer allowing him the discount.

Bills Receivable,
To Cash,
" Discount.

GENERAL RULE FOR JOURNALIZING DRAFTS DRAWN ON ACCOUNT.

[52] *Debit the person who draws a draft on you.* [53] *Credit the person on whom you draw a draft.*

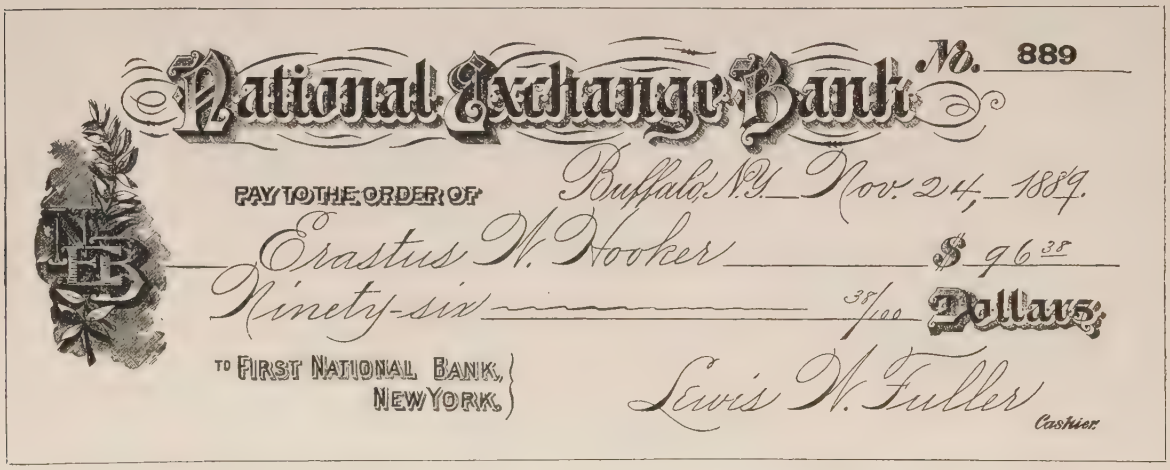
OTHER APPLICATIONS OF THE DRAFT PRINCIPLE.

BANK DRAFTS.

[54] What are termed "Bank Drafts" constitute a large proportion of the business transacted through this medium of exchange. [55] Nearly all banks keep money deposited with one or more of the banks located at some one of the commercial centers of the country, as New York, Boston, Chicago, San Francisco, New Orleans, etc., [56] against which they draw drafts to sell to their customers for [57] remittance to creditors, [58] these drafts passing current as cash [59] in the section of country tributary to the commercial center where the bank is located upon which the draft is drawn. To illustrate:

Erastus W. Hooker, of Buffalo, N. Y., owes Lockwood, Bailey & Co., of Bridgeport, Conn., $96.38, which he desires to pay. Stepping into the National Exchange Bank, near his place of business, and handing to the proper officer cash for the required amount, as stated above, plus the bank's charge for the accommodation, which is called "Exchange," he asks for a draft on New York, payable to the order of himself. This draft will, when given him, conform in all essential particulars to the following:

FORM OF BANK DRAFT.



The above form for check and draft, with number and amount in figures at the right side, has been recommended by the National Bankers Association, and is being quite generally adopted. The principal advantage claimed for it is, that when in a file, or package, all the particulars required for entering in the bank or other books, can be obtained without taking the paper out of the file. It is also claimed that there is less liability of errors in the amounts when they come near together.

Hooker has now in his possession, in a convenient form for transmission by mail, a substitute for money which can be readily used by Messrs. Lockwood, Bailey & Co., in Bridgeport, and which, will be as acceptable to them as the money itself. Endorsing the draft in full to Lockwood, Bailey & Co. (see 38 and 41, page 57, for explanation of a full endorsement), he encloses it to them in a letter, and upon its receipt they may deposit it in the bank where they keep their account, or they may send it in like manner to another party to pay a debt they owe, or use it for other commercial purposes.

To insure safety in the payment of a draft or check to the proper person, banks require, in case the person presenting the paper for payment is unknown to them, that he be *identified*—that is, that some person who is known to them shall vouch for him as being the person he claims to be. This custom adds greatly to the safety of this method of making remittances.

The pupil will study carefully the above form, also the following entries, and the explanations to them.

ENTRIES OF THE PARTIES TO THE FOREGOING BANK DRAFT.

(*a*) The Buffalo bank's entry when it draws the draft and sells it for cash, charging ¼% exchange.

Cash,	96.62	
To First Na'tl Bank, N. Y.,		96.38
Exchange,		.24

The BUFFALO BANK *debits* CASH *because it is received; credits* FIRST NATIONAL BANK *for the draft drawn on it; credits* EXCHANGE *because it has been allowed to the bank.*

(*b*) Hooker's entry when he buys the draft and remits it to Lockwood, Bailey & Co., on account.

Lockwood, Bailey & Co.,	96.38	
Exchange,	.24	
To Cash,		96.62

HOOKER *debits* LOCKWOOD, BAILEY & CO. *because he gets out of their debt; debits* EXCHANGE *because it is allowed by him; credits* CASH *because he parts with cash.*

(*c*) Lockwood, Bailey & Co.'s entry when they receive the draft from Hooker to apply on account.

Cash,	96.38	
To Erastus W. Hooker,		96.38

LOCKWOOD, BAILEY & *Co. debit* CASH *because it is received; credit* HOOKER *because he gets out of their debt.*

(*d*) The New York bank's entry when it pays the draft drawn on it by the Buffalo bank, in cash.

National Exchange, Buffalo,	96.38	
To Cash,		96.38

The NEW YORK BANK *debits the* BUFFALO BANK *for the draft paid on its account; credits* CASH *because paid out.*

EXAMPLE No. 9.

Henry W. Brown, of Syracuse, N. Y., who is a depositor in the Salt City Bank, and who has funds there to his credit, desiring to make a cash purchase of Sherman & Co., of Newark, N. J., amounting to $34.25, buys a New York draft at the above-mentioned bank, and pays for the same by check. The bank charges 15¢ exchange. Brown endorses the draft in full to Sherman & Co., and they endorse it in blank and deposit it in their bank. The check and draft are both dated May 22, 1889.

The pupil will write up in proper form, first, the check mentioned above. (For form of check see page 47.) In the check in place of the Payee's name write "N. Y. draft $34\frac{25}{100}$ and exch. 15¢," and omit the word "order" or "bearer." This explains what the check was given for, and it also furnishes to the bank clerk convenient information for making out the draft.

Next write the draft referred to above, and show the endorsements on the back of it. Then make the entries of all the parties for the above transactions, and be prepared to answer the following

QUESTIONS.

What is a Bank Draft? What gives one bank the right to draw a draft on another? How are these drafts treated by the parties receiving them? Where are they so treated? Why are they so treated? How should a draft be endorsed when it is transmitted by mail? Why? How endorsed when deposited in bank? In the draft mentioned in Ex. 9, who is the Drawer? Who the Drawee? Who the Payee? Who the Endorser? Who the Endorsee?

ORDERS PAYABLE IN MONEY AND PAYABLE IN GOODS.

[60] There is practically no difference between an Order, payable in money, and a sight draft, [61] except that, usually, all of the parties to an order reside in the same place, while in the draft the Drawer, as a rule, resides in one place and the Drawee and Payee in another.

FORM OF ORDER PAYABLE IN MONEY.

$25\frac{00}{100}$ TOLEDO, O., May 16, 1890.

JOHN BARTLETT, JR., 374 Summit St., will please pay the bearer Twenty-five Dollars, and charge the same to my account.

WM. E. COLEMAN.

It will be readily seen that, although the wording and arrangement of the above order are somewhat different from that of a draft, yet it is the same in principle, there being three parties to it, Coleman as *Drawer*, Bartlett as *Drawee*, and Bearer (whoever he may be) as *Payee*. [62] The relations

which they sustain to each other are also identical with the parties to a draft. Bartlett owes Coleman and Coleman owes Bearer. On receiving the order from Coleman, Bearer will present it to Bartlett for payment, and, if paid, the indebtedness of the parties will be canceled, or so much of it as is covered by the order.

FORM OF ORDER PAYABLE IN GOODS.

$15\frac{00}{100}$ DETROIT, MICH., June 21, 1890.

E. J. HARTMANN & Co., 1244 Jefferson Ave., will please deliver to bearer Groceries, not exceeding in amount Fifteen Dollars, and charge the same to my account.

MOSES H. BECKER.

It will be seen that the above form differs from the previous one only by being made payable in goods instead of money. An order payable in goods is not negotiable.

POST OFFICE MONEY ORDERS, POSTAL NOTES, AND EXPRESS MONEY ORDERS

These are now quite generally employed in business for making remittances to distant places. They all embody the draft principle as heretofore explained and illustrated.

QUESTIONS.

How does an order drawn payable in money differ from a sight draft? Draw an order on Samuel Jones, 15 Clark St., in favor of Henry Banning, or order, for Twelve Dollars and Fifty Cents, payable in money. Should Banning desire to transfer this order to Wm. Walker, what would it be necessary for him to do before Walker could collect on it? Draw an order on one party in favor of another for a quantity of goods. Who only can collect on this order?

MISCELLANEOUS EXERCISES ILLUSTRATING DRAFTS.

Before commencing upon the work of the exercises given below the student will procure a sheet of Ledger paper and open accounts with the following persons, debiting those who owe him and crediting those whom he owes.

THE FOLLOWING PERSONS OWE STUDENT ON ACCOUNT:

July 1, 1889.	Jno. D. Gordon, Albany, N. Y.,	1500.00
" " "	Wm. Groves & Son, Cleveland, O.,	1800.00
" " "	Elwood & Speers, Chicago, Ill.,	400.00
" " "	Morgan & Co., Philadelphia, Pa.,	2500.00

STUDENT OWES THE FOLLOWING PERSONS ON ACCOUNT:

July 1, 1889.	Geo. D. Hatch, Chicago, Ill.,	400.00
" " "	Henry L. Brooks, New York,	1600.00
" " "	Parker Bros., St. Louis, Mo.,	500.00
" " "	Oliver & Co., Indianapolis, Ind.,	1500.00

After opening the accounts as above instructed, proceed with the work of the exercises which follow, making the proper entries for each transaction in the accounts direct, to which they belong. In this way the student will readily see the relations which the parties sustained to each other *prior* to the drawing of the draft and how the drawing of the draft affected those relations.

MEMORANDA OF TRANSACTIONS.

Oct. 1, 1889. Drew a sight draft on Elwood & Speers, 400.00, and remitted it to Geo. D. Hatch, on account.

Write the draft, after which make the proper entries in the accounts.

Oct. 10. Accepted, payable at College National Bank, Oliver & Co.'s draft on me, favor Amos W. Clark, dated Oct. 4, at thirty days, sight, for 500.00.

Write the draft, including the acceptance; show the date of maturity and make the proper entries in the accounts.

Oct. 20. Drew a draft on Morgan & Co. in favor of myself for 2000.00; and had it discounted at College National Bank, and received credit, less 93 days' discount.

Write the draft, endorse it in blank and make the proper entries in the accounts, treating the proceeds to your credit in bank as cash.

Oct. 25. Received of Wm. Groves & Son, to apply on account, their draft in my favor for 800.00, dated Oct. 20, at ten days' sight, on Geo. W. Andrews, of this city. Andrews accepted the draft to-day, payable at Traders Bank.

Write the draft, including the acceptance; show date of maturity and make the proper entries.

Oct. 31. Accepted, payable at College National Bank, Henry L. Brooks' draft for 900.00, on me, drawn in favor of Charles Boyd & Co., and endorsed by them to Stephen D. Hoag, by full endorsement; draft dated Oct. 26, at sixty days' sight.

Write the draft, including the acceptance and the endorsement; show date of maturity and make the proper entries in the accounts.

Nov. 12. My acceptance of Oct. 10, due to-day at College National Bank, has been paid by the bank and charged to my account.

Make the proper entries, remembering that payments made for you by the bank you are to treat as cash.

Nov. 15. Prepaid a draft drawn on me by Parker Bros., St. Louis, Mo., dated Nov. 12, at 60 days' sight, in favor of Owen Fry & Co., 500.00, by check on College National Bank, less 63 days' discount.

Write the draft and make the proper entries.

Nov. 20. Received of Jno. D. Gordon, to apply on account, a sight draft for 500.00, dated Nov. 10, and drawn by Lapham & Mead, of Boston, Mass., on the Hartwell Mfg. Co., of this city, favor of Gordon, and transferred by him to me by full endorsement.

Write the draft, including the endorsement, and make the proper entries.

Nov. 25. Prepaid my acceptance of Oct. 31, by check on College National Bank, less the discount for the time it has yet to run.

Make the proper entries.

After completing the work as outlined above, present your papers to the teacher for approval, and be prepared to answer any of the questions on the subject of Drafts given under the preceding exercises, preparatory to commencing the work of the next set embraced in the months of July and August.

QUESTIONS FOR REVIEW.

Page 53.—[1] What is a draft? [2] The object of it? [3] What are the parties to a draft called? [4] Which is the Drawer? [5] Which the Drawee? [6] Which the Payee? Page 54.—[7] In how many ways are drafts drawn with reference to time? [8–10] What are they? [11–12] What are they called? [14] For what are sight drafts presented? [13] When are they payable? Page 55.—[17] For what are time drafts presented? [16] When are they payable? [18] What is meant by "acceptance?" [19] How is it done? [22] When is it unnecessary to date the acceptance? [23] Where is a draft payable if no place of payment is mentioned in the acceptance? [24–25] How are sight drafts sometimes paid by business men who keep a bank account? Page 57.—[34] Is it necessary that there be three persons mentioned in a draft? [35] Explain why? [28] What is a Blank endorsement? Page 58.—[39] A Full endorsement? [42] When is it necessary to endorse commercial paper? Page 59.—[33–51] Give the special instructions for journalizing drafts. Page 60.—[52–53] Give the general rule for journalizing drafts drawn on account. [54–59] Define Bank draft, and state how it is used. Page 61.—[60–61] What is the difference between an order payable in money and a sight draft? [62] How do the relations of the parties to an order compare with those of the parties to a draft?

BUYING PRICE LISTS FOR JULY AND AUGUST.

DESCRIPTION.	QUANTITY.	*No. 1.*	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Tea.											
Japan,	75 lb. Hlf. Ch.,	25¢ lb.	30	27	25	20	25	28	30	27	30
Oolong,	50 " " "	45¢ lb.	50	45	40	45	50	55	50	45	40
Young Hyson,	70 " " "	33⅓¢ lb.	33⅓	30	28	25	30	33⅓	35	30	33⅓
English Breakfast,	60 " " "	30¢ lb.	32	28	25	24	28	30	32	27	32
Coffee.											
Rio,	125 " Bag,	12½¢ lb.	16⅔	15	12½	14	16⅔	15	13	12½	15
Java,	75 " Mat,	20¢ lb.	25	20	18	25	20	25	20	18	20
Mocha,	150 " Bale,	25¢ lb.	30	25	22	28	25	30	25	22	25
Maracaibo,	125 " Bag,	16⅔¢ lb.	15	14	12½	16⅔	15	18	16⅔	15	16⅔

SELLING PRICE LISTS FOR JULY AND AUGUST.

DESCRIPTION.	QUANTITY.	*No. 1.*	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Tea.											
Japan,	75 lb. Hlf. Ch.,	30¢ lb.	33⅓	30	28	25	30	33⅓	35	30	33⅓
Oolong,	50 " " "	50¢ lb.	55	50	50	55	55	60	55	50	45
Young Hyson,	70 " " "	40¢ lb.	37½	35	33⅓	30	33⅓	37½	40	33⅓	37½
English Breakfast,	60 " " "	37½¢ lb.	35	33⅓	30	28	35	35	37½	30	35
Coffee.											
Rio,	125 " Bag,	15¢ lb.	20	18	16⅔	18	21	18	16⅔	15	18
Java,	75 " Mat,	25¢ lb.	30	25	22	28	25	28	25	21	24
Mocha,	150 " Bale,	30¢ lb.	33⅓	30	25	33⅓	30	33⅓	30	25	30
Maracaibo,	125 " Bag,	20¢ lb.	20	18	16⅔	20	18	22	20	18	20

FORM OF JOURNAL ENTRY FOR JULY 1, 18–.

JULY 1, 18–.

Cash,	On deposit in College National Bank,	3500	00			
Real Estate,	Store and lot, 66 W. 18th St.,	5000	00			
Belford Bros. & Co.,	Owe on acct.,	500	00			
Geo. H. Collins,	Owes on acct.,	680	50			
Perkins & Swift,	Owe on acct.,	816	88			
Chas. L. Welch,	Owes on acct.,	450	00			
To Student,	Resources,			10947	38	
Student,	Liabilities,	3175	25			
To Colburn & Dodge,	Due them on acct.,			1500	00	
G. B. Meech & Son,	Due them on acct.,			1675	25	

MEMORANDA OF TRANSACTIONS FOR JULY.

1. Commenced the Wholesale Tea and Coffee business this day, with the following Resources and Liabilities:

RESOURCES. (*See Remark 1.*)

On deposit in College National Bank (*see Remark 2*)	3500.00
Store and Lot No. 66 West 18th St., valued at (*see Remark 3*)	5000.00
Belford Bros. & Co., Danville, owe on acct.	500.00
Geo. H. Collins, Geneva, owes on acct.	680.50
Perkins & Swift, Branchport, owe on acct.	816.88
Chas. L. Welch, City, owes on acct.	450.00

LIABILITIES.

Colburn & Dodge, Geneva, due them on acct.	1500.00
G. B. Meech & Son, Danville, due them on acct.	1675.25

REMARK 1. When the proprietor commences business with both resources and liabilities, there are two forms for making the Journal entry;

1. Debit the resources and credit the proprietor for their sum; credit the liabilities and debit the proprietor for their sum. (*Use this form of Journal in this set. See illustration on page 64.*)

2. Debit the resources, credit the liabilities, and credit the proprietor for the difference between the sum of the resources and the sum of the liabilities. This difference is the NET INVESTMENT. (*Use the first form. See illustration on page 64.*)

REMARK 2. Treat the Bank account as Cash, as in the months of April, May, and June. (*See note on page 47.*)

REMARK 3. *Real Estate* is the Ledger title usually employed in journalizing transactions relating to Houses and Lands. The same rules apply as in the case of Mdse. (*See 66 to 74, page 9.*)

2. Bought of Lobeck, Durfee & Co., 169 Reade St., New York, on account at 60 days, the following invoice of goods received this day by Commercial Fast Freight Line: 20 hf. ch., 1000 lbs., Oolong Tea; 20 hf. ch., 1400 lbs., Y. H. Tea; 30 hf. ch., 2250 lbs., Japan Tea; 10 hf. ch., 600 lbs., English Breakfast Tea; 50 mats, 3750 lbs., Java Coffee; 10 bags, 1250 lbs., Maracaibo Coffee; 10 bales, 1500 lbs., Mocha Coffee; 15 bags, 1875 lbs., Rio Coffee.

Obtain from the teacher the number of the Price List which you are to use in this set, and then prepare a Price List sheet as instructed in note on page 45.

Make the extensions of the above items mentally as much as possible, using aliquots where convenient to do so. Employ, of course, the prices given in your buying list.

3. Sold Geo. H. Collins, Geneva, on account at 15 days, 5 hf. ch., 375 lbs., Japan Tea; 5 hf. ch., 350 lbs., Y. H. Tea; 10 mats, 750 lbs., Java Coffee; 5 bags, 625 lbs., Rio Coffee.

" Drew a sight draft on Belford Bros. & Co., and remitted same to G. B. Meech & Son, to apply on account, 500.00. (*See 43, page 59.*)

Write up, in proper form, on foolscap paper, the draft called for above, after which make the entry for the transaction in your Journal. Write up, in like manner, all of the drafts where directed to do so, and after completing the work of the month, present your books together with the drafts, to the teacher for approval.

5. Received cash of Chas. L. Welch, to apply on account, 200.00.

6. Accepted, payable at C. N. Bank, Colburn & Dodge's draft, dated July 3, at ten days' sight, favor N. A. Perkins, 356.80. (*Write the draft, including acceptance. See 45, page 59.*)

" Paid Walker & Co.'s bill for office books, furnished July 1st, in cash, 35.00.

8. Sold Geo. W. Carter, City, for cash, 2 hf. ch., 100 lbs. Oolong Tea; 1 hf. ch., 70 lbs., Y. H. Tea; 2 bales, 300 lbs. Mocha Coffee.

" Deposited cash in C. N. Bank, 200.00. (*Memorandum only. See note on page 47.*)

9. Received of Perkins & Swift, to apply on account, their draft, 300.00, dated July 5, at 60 days from date, on Scoville, Parks & Howard, this city, in my favor, which the drawees have this day accepted, payable at Traders Bank. (*Write the draft, including acceptance. See 49, page 59.*)

10. Bought of Manchester Safe Co., a safe for office, 250.00. Paid for same by check on C. N. Bank.

" Drew a draft, at 30 days from date, on Geo. H. Collins, favor of Colburn & Dodge, for 680.50, and remitted it to them (Colburn & Dodge) to apply on account, less 33 days' discount.

MEMORANDA OF TRANSACTIONS FOR JULY (Continued.)

10. Sold Belford Bros. & Co., on account at 30 days, 10 hf. ch., 700 lbs., Y. H. Tea; 10 hf. ch., 750 lbs., Japan Tea; 20 mats, 1500 lbs., Java Coffee; 5 bags, 625 lbs., Maracaibo Coffee.

" Paid G. B. Meech & Son's sight draft on me, dated July 8, in favor of Tower & Burke, by check on C. N. Bank, 250.00.

12. Bought of Freeman & Guilford, City, on account at 30 days, 20 hf. ch., 1400 lbs., Y. H. Tea; 10 hf. ch., 600 lbs., E. B. Tea; 10 bales, 1500 lbs., Mocha Coffee; 10 bags, 1250 lbs., Maracaibo Coffee.

13. Accepted, payable at C. N. Bank, Lobeck, Durfee & Co.'s draft, 475.50, dated July 10, at 45 days' sight, in favor of themselves, and transferred by full endorsement to Wm. B. Eaton. (*Write the draft, including acceptance and endorsement.*)

" Paid Dewey & Carpenter's bill for office furniture, by check on C. N. Bank, 200.00.

15. Sold Hammond & Boyd, Cooperstown, 5 hf. ch., 250 lbs., Oolong Tea; 10 hf. ch., 750 lbs., Japan Tea; 10 mats, 750 lbs., Java Coffee. Received cash for one-half the invoice; balance on account, 30 days.

In every computation, if the fraction be one-half cent or more, add another cent; if less than one-half cent, drop the fraction.

" Drew from the business for private use, 100.00, by check on C. N. Bank.

16. Drew a draft at 30 days from date, on Belford Bros. & Co., in favor of myself, for the amount of the invoice sold them on the 10th inst. Discounted the draft at C. N. Bank and received credit for same, less 33 days' discount. (*Write the draft, including endorsement.*)

17. Prepaid Lobeck, Durfee & Co.'s draft, 500.00, dated July 15th, at 45 days' sight, favor of McNeil & Darby, less 48 days' discount, by check on C. N. Bank.

18. Sold Perkins & Swift, on account at 10 days, 10 hf cf., 700 lbs., Y. H. Tea; 5 bags, 625 lbs., Rio Coffee; 10 mats, 750 lbs., Java Coffee.

' Received of Geo. H. Collins, in full payment of his invoice of July 3, a draft drawn by the Farmers Bank of Geneva, H. B. Smith, Cashier, on the Ninth National Bank of New York, in his favor, and transferred by him to me by full endorsement. (*Write the draft, including endorsement. See form of bank draft on page 60.*)

19. My acceptance of 6th inst., due to-day, has been paid by C. N. Bank and charged to my account.

" Deposited in C. N. Bank the draft on New York, received on the 18th inst.

20. Scoville, Parks & Howard prepaid their acceptance of 9th inst. in cash, less discount to maturity, 48 days.

" Bought of Lobeck, Durfee & Co., 169 Reade St., New York, on account at 60 days, the following invoice of goods, received this day by Commercial Fast Freight Line: 40 mats, 3000 lbs., Java Coffee; 20 bags, 2500 lbs., Rio Coffee; 10 bales, 1500 lbs., Mocha Coffee; 10 hf. ch., 600 lbs., E. B. Tea; 20 hf. ch., 1500 lbs., Japan Tea.

22. Received of Perkins & Swift, for credit, their draft, 516.88, in my favor, dated July 12th, at 60 days from date, on Freeman & Guilford, this city. Passed the draft to Freeman & Guilford to apply on account, less 33 days' discount.

REMARK.—Thirty days of the time on this draft are offset by the time on F. & G.'s invoice of July 12

" Deposited cash in College National Bank, 500.00.

23. Sold Belford Bros. & Co., on account at 30 days, 10 mats, 750 lbs., Java Coffee; 5 bales, 750 lbs., Mocha Coffee; 5 hf. ch., 375 lbs., Japan Tea.

25. Prepaid my acceptance of the 13th inst., favor of Wm. B. Eaton, by check on C. N. Bank, less discount, 36 days.

26. Received of Chas. L. Welch, cash to apply on account, 100.00.

27. Sold Geo. H. Collins, on account at 30 days, 5 hf. ch., 300 lbs., E. B. Tea; 5 bags, 625 lbs., Rio Coffee; 10 mats, 750 lbs., Java Coffee.

MEMORANDA OF TRANSACTIONS FOR JULY (Continued).

29. Drew a sight draft on Perkins & Swift for invoice of July 18th, in favor of myself, and deposited same in C. N. Bank, receiving credit, less bank's charges for collection, ¼%. (Open an account with *"Collection and Exchange."*)

" Paid Commercial Fast Freight Line Co.'s bill of freight charges for the month, in cash, 11.65. (*Debit Mdse.*)

30. Accepted, payable at C. N. Bank, Colburn & Dodge's draft, 300.00, dated July 26th at 10 days' sight, in favor of F. H. Green.

" Deposited cash in College National Bank, 100.00.

31. Received of Hammond & Boyd, for amount due on invoice sold them July 15th their draft dated July 27th, at 15 days' sight, in our favor, on D. B. Goldfield, of this city, which the drawee has this day accepted, payable at Merchants Bank.

" The valuation placed upon the Store and Lot, the 1st inst., being 500.00 too high, have made an entry correcting the same.

" Paid Employes' salaries for the month, in cash, 125.00.

INVENTORIES, JULY 31, 18–.

MERCHANDISE.

20 mats, 1500 lbs., Java Coffee.
15 bags, 1875 lbs., Maracaibo Coffee.
23 bales, 3450 lbs., Mocha Coffee.
20 bags, 2500 lbs., Rio Coffee.

25 hf. ch., 1500 lbs., English Breakfast Tea.
20 hf. ch., 1500 lbs., Japan Tea.
13 hf. ch., 650 lbs., Oolong Tea.
14 hf. ch., 980 lbs., Young Hyson Tea.

EXPENSE.—Office Safe, 250.00; Office Books, 35.00; Office Furniture, 200.00; total, 485.00.

REAL ESTATE.—Store and Lot, 4500.00.

You will now post. Give Cash 25 lines, Mdse. 20 lines, Bills Payable 10 lines, Bills Receivable 10 lines, Discount 12 lines, and to all other accounts 10 lines space each. *After completing the posting make out a Balance Sheet, and close the accounts showing losses and gains, preparatory to admitting a partner on Aug. 1.*

If your work is correct, the net gain shown by your Balance Sheet, will agree with the result given below under the number of the list corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
	510.83	422.29	442.84	415.37	414.55	481.30	355.95	496.16	264.42	371.26

After completing the work as instructed above, present your books and the drafts called for in the text, to the teacher for approval.

MEMORANDA OF TRANSACTIONS FOR AUGUST.

1. Geo. W. Bigelow has this day been admitted as an equal partner, the firm name to be "Student" & Bigelow.

" Geo. W. Bigelow invests a note made by Alfred L. Decker, in his favor, secured by the endorsement of W. W. Osgood, dated August 1, 18—, at 20 days, with interest, and transferred by the payee to the new firm by a full endorsement, 3000.00. (*Write this note, including the endorsement.*) Bigelow also invests cash for the balance required to make his investment equal to Student's present worth.

REMARK.—In a business conducted by a partnership, an account is usually opened in the Ledger with each partner, in which he is credited with his share of the investment, and also with his share of the gains, or is debited with his share of the losses.

A "Stock" account is sometimes opened in a partnership business, instead of an account with each partner, which is credited with the combined investment of the partners, and at stated periods is credited with the entire net gain of the business, or debited with the net loss. In such case a "Stock Ledger" is kept by the partners, upon which each has an account showing his interest in the business. In this set the first plan will be followed.

MEMORANDA OF TRANSACTIONS FOR AUGUST (Continued).

1. Transferred Student's credit in C. N. Bank to credit of "Student" & Bigelow; also deposited cash, 4000.00. (*Memorandum only.*)

2. Sold Perkins & Swift, on account at 15 days, 5 hf. ch., 300 lbs., E. B. Tea; 10 hf. ch., 750 lbs., Japan Tea; 10 mats, 750 lbs., Java Coffee; 5 bags, 625 lbs., Maracaibo Coffee; 10 bales, 1500 lbs., Mocha Coffee.

3. Prepaid Lobeck, Durfee & Co.'s draft on us, dated August 2, at 30 days' sight, favor Edmund J. Olney, by check on C. N. Bank, less 33 days' discount, for balance due them on invoice of July 2.

" Took out policies of Insurance with North American Insurance Company, A. R. Cooley, Agent, 3000.00 on building and 5000.00 on stock. Paid premium by check on C. N. Bank, 120.00.

5. Accepted, payable at C. N. Bank, G. B. Meech & Son's draft, favor Pond & O'Dell, dated July 29, at 15 days' sight, 300.00.

" Received cash of Chas. L. Welch, in full of account.

6. Sold Hammond & Boyd, on account at 30 days, 10 hf. ch., 600 lbs., E. B. Tea; 10 hf. ch., 500 lbs., Oolong Tea; 10 hf. ch., 700 lbs., Y. H. Tea; 15 bags, 1875 lbs., Rio Coffee; 5 bales, 750 lbs., Mocha Coffee.

" Deposited cash in College National Bank, 750.00.

8. Bought at C. N. Bank, by check, a draft on Ninth National Bank, New York, 166.44, at ¼% exchange, and remitted same to Colburn & Dodge, to balance account.

9. Accepted, payable at C. N. Bank, Lobeck, Durfee & Co.'s draft on us, favor Hart & Long, dated August 8, at 40 days' sight, in full of invoice of July 20.

10. Bought of DeVean & Hallock, 27 Washington St., New York, on account, one-half subject to draft in 15 days, balance in 30 days, the following invoice of goods received this day by Commercial Fast Freight Line: 40 hf. ch., 3000 lbs., Japan Tea; 50 hf. ch., 3500 lbs., Y. H. Tea; 20 bags, 2500 lbs., Maracaibo Coffee; 10 bags, 1250 lbs., Rio Coffee; 10 hf. ch., 500 lbs., Oolong Tea; 40 mats, 3000 lbs., Java Coffee; 20 bales, 3000 lbs., Mocha Coffee.

12. Acceptance of 30th ult., in favor of F. H. Green, due to-day, has been paid and charged in at C. N. Bank.

13. Sold Selden R. Conway, of Burlington, on account at 60 days, 20 hf. ch., 1400 lbs., Y. H. Tea, 20 mats, 1500 lbs., Java Coffee.

15. Gave Freeman & Guilford, our check on C. N. Bank, to balance account.

17. Received of Perkins & Swift, to pay invoice of August 2, their draft on Yates & Potter, of this city, in our favor, dated August 15, at 60 days' sight, for 500.00, which the drawees have this day accepted; also their sight draft, in our favor, on the Melville Mfg. Co., this city, which has been paid in cash, for the balance of the invoice and for 63 days' discount allowed us on the draft on Yates & Potter. The Melville Mfg. Co. paid the draft on them in cash.

18. Received cash for D. B. Goldfield's acceptance of July 31, due to-day.

" Deposited cash in College National Bank, 500.00.

20. Sold Geo. H. Collins, on account at 30 days, 10 hf. ch., 750 lbs., Japan Tea; 5 hf. ch., 250 lbs., Oolong Tea; 20 mats, 1500 lbs., Java Coffee.

21. Drew a sight draft on Belford, Bros. & Co., for amount of invoice sold them July 23, and remitted same to G. B. Meech & Son, on account.

23. Hammond & Boyd having failed in business, have compromised with their creditors at fifty cents on a dollar. Received from them cash, on this basis, for invoice of August 6, and closed their account.

This entry may be made by debiting Cash and Loss & Gain, and crediting Hammond & Boyd in the Journal for the full amount of their indebtedness.

A better way, however, is to make an entry in the Journal only for the amount of cash received, post it immediately and close their account at once into Loss and Gain.

MEMORANDA OF TRANSACTIONS FOR AUGUST (Continued).

24. Received cash of Alfred L. Decker, in full for his note invested by Bigelow Aug. 1, due to-day, with interest, and deposited the cash so received in C. N. Bank.

26. Drew a sight draft on Geo. H. Collins, favor of ourselves, for amount of the invoice sold him July 27, and deposited same in C. N. Bank to our credit, less collection, ¼%.

27. Paid DeVean & Hallock's sight draft on us, favor of themselves, for one-half of invoice of 10th inst., by check on C. N. Bank.

29. Sold McLean & Potter, of Oakland, on account at 30 days, 10 mats, 750 lbs., Java Coffee; 15 bags, 1875 lbs., Rio Coffee; 8 hf. ch., 400 lbs., Oolong Tea; 10 hf. ch., 600 lbs., E. B. Tea.

30. Drew a draft on Selden R. Conway, favor of ourselves, at 45 days from date, for invoice sold him 13th inst. Deposited the draft in C. N. Bank, to our credit, less 48 days' discount.

31. Paid Employes' salaries for the month, in cash, 150.00.

" Deposited cash in College National Bank, 500.00.

" Student has this day sold out to his partner, and will engage in the Carpet business on Sept. 1.

INVENTORIES, AUG. 31, 18–.

MERCHANDISE.

40 hf. ch., 3000 lbs., Japan Tea.	30 bags, 3750 lbs., Maracaibo Coffee.
34 hf. ch., 2380 lbs., Y. H. Tea.	28 bales, 4200 lbs., Mocha Coffee.

EXPENSE. Safe, Office Books and Office Furniture, valued at 10% less than cost, 436.50; Insurance—unearned premium, 110.00. Total, 546.50.

REAL ESTATE. Store and Lot, 4500.00.

You will now post, make out a Balance Sheet, and close the Ledger. Arrange the summary of your Balance Sheet as shown in the form given below. If Trial Balance does not balance, see page 47.

		44200	16	44200	16	160	00	380	00	12200	00	4380	00
Student's	Net Gain,					110	00						
Brown's	" "					110	00						
						380	00	380	00				
Student's	Net Credit,			3600	00								
"	Net Gain,			110	00								
"	Present Worth,											3710	00
Brown's	Net Credit,			4000	00								
"	Net Gain,			110	00								
"	Present Worth,											4110	00
										12200	00	12200	00

Your net gain, or net loss, should agree with that given under the list below corresponding to your own.

NET GAIN.	*No. 1.*	*No. 4.*	NET LOSS.	*No. 2.*	*No. 3.*	*No. 5.*	*No. 6.*	*No, 7.*	*No. 8.*	*No. 9.*	*No. 10.*
	18.20	6.28		176.02	53.96	26.97	29.60	218.21	30.06	221.31	151.37

After completing the work of closing the Ledger hand your books to the teacher for approval, and be prepared to answer the questions given on page 63.

SEPTEMBER AND OCTOBER.

[1]The work embraced in this set is designed, principally, to illustrate the use of the *Cash Book* and *Bill Book.*

[2]The business opens with two partners, and is conducted as a partnership through the month of September, when the partnership is dissolved, one of the partners retiring and the other continuing the business. [3]A special feature of the partnership agreement is that one of the partners is allowed a salary by the firm, on account of extra services to be performed.

[4]The **Cash Book** is kept in this set as a principal book; that is, all cash entries are made in the Cash Book and posted directly from that book to the Ledger without being carried to the Journal (*see illustration on pages 76 and 77*). [5]Whenever cash is received, the amount is entered on the left, or debit side, of the Cash Book, with the title of the account to be credited in posting, and an appropriate explanation. [6]Whenever cash is paid out the amount is entered on the right, or credit, side of the Cash Book, with the title of the account to be debited in posting, and an appropriate explanation. [7]The difference between the sides of the Cash Book should exhibit, at any time, the cash on hand. [8]In business it is customary to prove the cash every day; that is, to ascertain whether the cash on hand agrees with the balance as shown by the Cash Book.

[9]The **Bill Book** is kept in this set as an auxiliary book; that is, the particulars regarding the Bills Payable and Bills Receivable which are issued and received, are recorded here, but the entries are not posted from this book to the Ledger, but from the Journal, in which they also appear.

[10]The Bill Book, illustrated on page 75, is arranged for both notes and drafts; [11]the Drawer of a draft and the Endorser of a note sustain substantially the same relation to the paper; both are therefore entered in one column. [12]The same is true also of the Drawee of a draft and the Maker of a note.

[13]Three days of grace are always to be added in giving the maturity of paper. [14]As soon as an entry has been made in the Journal for a Bills Payable issued, or Bills Receivable received, another entry should be made at once in the Bill Book. [15]When a bill has been paid, or disposed of in any manner, the fact should be noted in the proper column in the Bill Book.

BUYING PRICE LISTS FOR SEPTEMBER AND OCTOBER.

	List No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Axminster	2.00 yd.	1.90	2.05	1.95	2.00	1.90	2.05	2.00	1.95	2.05
Body Brussels	1.10 yd.	1.05	1.15	1.10	1.05	1.10	1.10	1.05	1.10	1.15
Ingrain	.57½ yd.	.55	.60	.58	.55	.60	.58	.57½	.55	.60
Lining	.06 yd.	.05	.06¼	.06½	.06	.06½	.06	.05	.06	.06¼
Linoleum	.67½ yd.	.66	.70	.68	.65	.66	.70	.66	.65	.70
Moquette	1.25 yd.	1.16⅔	1.30	1.25	1.15	1.16⅔	1.25	1.15	1.16⅔	1.25
Matting, Cocoa	.47½ yd.	.45	.50	.49	.45	.50	.49	.45	.48	.50
Oil Cloth	.33⅓ yd.	.30	.35	.32	.30	.35	.33⅓	.35	.32	.33⅓
Tapestry Brussels	.65 yd.	.62½	.66⅔	.65	.60	.66⅔	.65	.62	.65	.65
Velvet	1.12½ yd.	1.10	1.15	1.12	1.10	1.15	1.10	1.15	1.10	1.15
Wilton	2.10 yd.	2.00	2.15	2.05	2.00	2.10	2.05	2.00	2.05	2.15

SELLING PRICE LISTS FOR SEPTEMBER AND OCTOBER.

	List No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Axminster	2.50 yd.	2.40	2.55	2.45	2.40	2.35	2.40	2.50	2.55	2.45
Body Brussels	1.35 yd.	1.30	1.40	1.33⅓	1.35	1.30	1.33⅓	1.40	1.35	1.30
Ingrain	.75 yd.	.72	.75	.73	.75	.70	.72	.73	.75	.72
Lining	.10 yd.	.08	.09	.08	.09	.08	.09	.10	.09	.08
Linoleum	.90 yd.	.85	.87½	.86	.85	.80	.85	.90	.87½	.80
Moquette	1.50 yd.	1.40	1.55	1.45	1.50	1.40	1.45	1.55	1.50	1.40
Matting, Cocoa	.60 yd.	.55	.58	.56	.58	.55	.56	.58	.60	.55
Oil Cloth	.50 yd.	.47	.50	.48	.50	.45	.47	.50	.48	.45
Tapestry Brussels	.90 yd.	.85	.92	.87½	.90	.85	.87½	.90	.87½	.85
Velvet	1.37½ yd.	1.25	1.35	1.30	1.35	1.25	1.30	1.35	1.30	1.25
Wilton	2.65 yd.	2.50	2.60	2.55	2.50	2.40	2.50	2.55	2.60	2.40

NOTE TO STUDENT.—Apply to the teacher for the number of the Price List which you are to use in this set, and then prepare a Price List sheet as instructed in note on page 45.

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER.

1. Student and Wm. T. Howard have this day formed a co-partnership, under the firm name of Student & Co., for the purpose of conducting a Carpet business. The partners are to invest equal amounts, and share equally in gains and losses. In consideration of extra services, Student is to be paid by the firm a salary of one hundred dollars per month. (*Make a memorandum of the above in your Journal.*)

" Student and Wm. T. Howard have each paid in 1500.00, cash, the amount to be invested as stipulated in the co-partnership articles this day executed. (*Make these entries on the left side of the Cash Book, which debits cash and credits Student and Wm. T. Howard. See pages 76 and 77.*)

NOTE TO STUDENT.— In opening your Cash Book, leave the first page blank and commence on the second page, so that the receipts and disbursements will appear on opposite pages.

2. Bought of Howe & Rogers, New York, on %, 500 yds. Moquette; 500 yds. Body Brussels; 1000 yds. Ingrain; 1000 yds. Matting; 2000 yds. Lining. (*J.*)

3. Sold H. W. Smith, on %, 200 yds. Body Brussels; 100 yds. Moquette; 400 yds. Lining. (*J.*)

4. Paid Howe & Rogers cash, to apply on %, 500.00. (*Make this entry on the right side of the Cash Book, which credits Cash and debits Howe & Rogers. See Cash Book on pages 76 and 77.*)

5. Bought of Jas. Reed & Co., Boston, on %, 500 yds. Tapestry Brussels; 400 yds. Axminster; 300 yds. Wilton; 500 yds. Oil Cloth; 500 yds. Linoleum. (*J.*)

6. Received cash of H. W. Smith, on %, 200.00. (*Make this entry on the left side of the Cash Book.*)

8. Sold Geo. R. Strong, on %, 200 yds. Tapestry Brussels; 100 yds. Axminster; 100 yds. Wilton; 200 yds. Oil Cloth. (*J.*)

9. Received of H. W. Smith, on %, his note at 10 days, payable at Traders Bank, 200.00. (*J. and Bill Book. See form of Bill Book on page 75; also, 9–15 on page 70.*)

10. Paid Scrantom & Co.'s bill for Office Books, in cash, 25.00. (*Make the entry on the right side of the Cash Book, which credits Cash and debits Expense.*)

11. Gave Howe & Rogers our note at 20 days, payable at our office, to apply on %, 500.00. (*J. and B. B.*)

12. Received cash of Geo. R. Strong, on %, 200.00. (*C. B.*)

13. Sold Perry & Powers, on %, 100 yds. Moquette; 200 yds. Matting; 100 yds. Tapestry Brussels; 100 yds. Linoleum. (*J.*)

15. Paid Jas. Reed & Co. cash, on %, 200.00. (*C. B.*)

16. Sold Wm. Graves, on his note at 10 days, payable at Farmers Bank, with interest, 100 yds. Axminster; 100 yds. Body Brussels; 100 yds. Tapestry Brussels. (*J. and B. B.*)

17. Wm. T. Howard drew cash from the business for private use, 50.00. (*C. B.*)

18. Sold for cash, 100 yds. Matting; 50 yds. Oil Cloth. (*Make entry on left side of the Cash Book, which debits Cash and credits Merchandise.*)

19. Accepted Jas. Reed & Co.'s (Boston) draft on us, favor O. D. Harris, at 3 days' sight, payable at our office, to apply on %, 1200.00. (*J. and B. B.*)

20. Received cash of Geo. R. Strong, on %, 100.00.

" Sold Gardner & Son 100 yds. Tapestry Brussels; 300 yds. Matting; 200 yds. Linoleum. Received cash, 75.00. Balance on %. (*Debit Gardner & Son with the full amount of the invoice in the Journal and credit them in the Cash Book for the amount paid.*)

22. Received cash of H. W. Smith, for his note of 9th inst., due to-day, 200.00. (*C. B. Mark the note paid in B. B.*)

23. Bought of Howe & Rogers, on %, 400 yds. Body Brussels; 300 yds. Moquette; 200 yds. Velvet; 300 yds. Wilton; 200 yds. Axminster.

24. Paid cash for Coal, for use in store, 15.00.

24. Sold Geo. R. Strong, on %, 300 yds. Ingrain; 200 yds. Moquette; 100 yds. Wilton.

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER (Continued).

25. Paid our acceptance of 19th inst., favor O. D. Harris, due to-day, in cash. (*C. B.*)

26. Received of Perry & Powers, their note at 60 days, indorsed by Henry T. French, payable at Fourth National Bank, in full for invoice of the 13th inst.

27. Paid Howe & Rogers cash, on *a/c*, 500.00.

" Sold H. W. Smith, 400 yds. Moquette; 200 yds. Body Brussels; 200 yds. Linoleum. Received cash, 400.00. Balance on *a/c*.

29. Received cash of Wm. Graves, for his note of 16th inst., due to-day, and 13 days' interest on the same.

30. Gave Jas. Reed & Co. our note at 15 days, with interest, payable at our office, to apply on *a/c*, 300.00.

" Paid Student his salary for extra services for the month in cash, 100.00. (*Debit Expense.*)

INVENTORIES, SEPTEMBER 30, 18–.

RESOURCE.

MERCHANDISE.

400	yds.	Axminster,	400	yds.	Matting,
400	"	Body Brussels,	250	"	Oil Cloth,
700	"	Ingrain,	200	"	Velvet,
1600	"	Lining,	400	"	Wilton.

LIABILITY.

EXPENSE.—Rent unpaid for month of September, 100.00.

You will now balance your Cash Book (*see Cash Book illustrations on pages 76 and 77*) and post.

Post from the Journal, as heretofore, entering the explanations in the Ledger accounts, using for explanation the opposite title in the Journal entry when there is but one, and the expression "Sundries" when there is more than one, as illustrated on pages 76 and 77. Check the posting in the Journal and Cash Book, by using the Ledger page. Give Merchandise, Bills Receivable, and Bills Payable, each one-half of a page space; all other accounts, one-fourth of a page each.

In posting from the Cash Book, *credit* all items on the *left* side to the various accounts to which they belong, and *debit Cash* account with the footing of these items. To illustrate: Credit Student, credit Wm. T. Howard, credit H. W. Smith, and so on until all of the items on the left side of the Cash Book have been credited; then debit Cash account with the footing of all these items. Next *debit* all items on the right side of the Cash Book, and *credit Cash* with the footing of these items. To illustrate: Debit Howe & Rogers, debit Expense, debit Jas. Reed & Co., and so on until all the items on this side have been debited; then credit Cash account with the total of these items. As will readily be seen, the equality of the sides of the Ledger is thus preserved. The entries should be posted from the Journal and Cash Book in the order of the dates, to have them appear in the proper order in the Ledger.

After completing the posting, make a balance sheet and close the accounts showing losses and gains. Your net gain should agree with the result given below, under the price list number corresponding to your own.

NET GAIN.

No. 1.	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
718.69	645.66	631.73	573.18	821.01	450.32	515.33	908.04	791.70	338.16

MEMORANDA OF TRANSACTIONS FOR OCTOBER.

1. Wm. T. Howard has withdrawn from the business. Gave him in full payment my note at 2 mos., indorsed by C. N. Benton, for his interest in the business as shown by his present worth.

2. Sold Samuel Beach, on his note at 10 days, with interest, payable at Merchants' Bank, 200 yds. Body Brussels; 100 yds. Axminster; 100 yds. Velvet; 500 yds. Lining.

3. Received cash of H. W. Smith, on *a/c*, 300.00

MEMORANDA OF TRANSACTIONS FOR OCTOBER (Continued).

4. Paid note, favor Howe & Rogers, due to-day, in cash.

" Bought of Jas. Reed & Co., 400 yds. Tapestry; 300 yds. Moquette; 400 yds. Linoleum. Paid cash on above, 300.00. Balance on ℅.

Credit Jas. Reed & Co. in Journal for full amount, and debit them in Cash Book for the cash paid

6. Gave Howe & Rogers, my note at 45 days, to apply on ℅, 500.00.

7. Sold H. W. Smith, on ℅, 100 yds. Moquette; 300 yds. Ingrain; 500 yds. Lining.

8. Perry & Powers prepaid their note of 26th ult., in cash, less discount to maturity, 51 days.

NOTE.—On the *left* side of the Cash Book credit Bills Receivable, which debits Cash, and on the *right* side of the Cash Book debit Discount, which credits Cash; this leaves the net debit to Cash the difference between the two amounts, the same as though made in the ordinary Journal entry form.

9. Received of Geo. R. Strong, his note at 60 days, payable at City Bank, in full of ℅.

" Took out a Policy of Insurance on Stock, 2500.00. Paid premium on same, in cash, 50.00.

10. Received cash of Gardner & Son, on ℅, 200.00.

11. Sold Perry & Powers, on ℅, 200 yds. Tapestry Brussels; 100 yds. Axminster; 200 yds. Wilton; 150 yds. Oil Cloth.

14. Bought of Clark, Medford & Co., Philadelphia, on ℅, 300 yds. Velvet; 600 yds. Body Brussels.

15. Received cash of Samuel Beach, for his note and interest, due to-day.

16. Paid Howe & Rogers, cash, on ℅, 800.00.

17. Received of H. W. Smith, his note at 10 days', payable at Traders Bank, to apply on ℅, 300.00.

18. Paid my note, favor Jas. Reed & Co., due to-day, and interest on same, in cash.

" Paid rent of store for September and October, in cash, 200.00.

20. Accepted Jas. Reed & Co.'s draft at 3 days' sight, favor O. D. Harris, to apply on ℅, 500.00.

21. Sold Richmond & Bro., on ℅, 300 yds. Body Brussels; 200 yds. Ingrain; 200 yds. Matting.

22. Received cash of Gardner & Son, on ℅, 100.00.

24. Geo. R. Strong prepaid his note of 9th inst., in cash, less discount.

" Sold for cash 100 yds. Body Brussels.

25. Bought of Jas. Reed & Co., on ℅, 200 yds. Axminster; 500 yds. Tapestry Brussels.

26. Paid acceptance, favor O. D. Harris, due to-day, in cash.

28. Received of Richmond & Bro. (Springville), to apply on ℅, their draft in my favor, at 30 days' sight, on Chas. T. Webber, which he has accepted, payable at Corning & Co.'s Bank, 300.00.

29. Sold Gardner & Son, on ℅, 150 yds. Velvet; 100 yds. Wilton; 50 yds. Matting.

" Paid Clark, Medford & Co., cash on ℅, 600.00.

30. Prepaid my note 6th inst., favor Howe & Rogers, in cash, less discount.

" Received cash of H. W. Smith, for his note, due to-day.

31. Paid Employes' salaries in cash, 100.00.

" Store and contents were last night entirely destroyed by fire. Received cash from the Insurance Co., for the full amount of insurance on stock, 2500.00. (*Credit Mdse.*)

You will now balance your Cash Book, and post as instructed on page 73.

After completing the posting make a balance sheet and close the Ledger. Your net gain, or net loss, should agree with the result given below, under the price list number corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 5.*	*No. 8.*	*No. 9.*
	12.94	83.37	150.39	159.17	87.67

NET LOSS.	*No. 3.*	*No. 4.*	*No. 6.*	*No. 7.*	*No. 10.*
	162.53	71.96	213.32	146.62	361.26

After completing the work of closing the Ledger hand your books to the teacher for approval.

BILLS PAYABLE.

No.	When Given.	Drawer or Endorser.	Drawee or Maker.	In whose favor.	For what given.	Where Payable.	Date Year.	Date Month.	Time.	When due. Year.	Jan.	Feb.	Mar.	Apl	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec.	Amount.	When and how disposed of.
1	Sept 11		Student & Co	Howe & Rogers	On acct.	Our office	188	Sept 11	20 ds.	188										14			200	
2	" 19	Jas. Reed & Co	"	O. D. Harris	"	"	188	" 19	3 ds.	188									25				300	Sept 25 Paid
3	" 30		"	Jas. Reed & Co	"	"	188	" 30	10 ds.	188										13			Int 200		

BILLS RECEIVABLE.

No.	When Rec'd.	Drawer or Endorser.	Drawee or Maker.	In whose favor.	For what received.	Where Payable.	Date Year.	Date Month.	Time.	When due. Year.	Jan	Feb.	Mar.	Apl	May	June	July	Aug.	Sep.	Oct.	Nov	Dec.	Amount.	When and how disposed of.
1	Sept. 9		H. W. Smith	Student & Co	On acct.	Traders Bk.	188	Sept 9	10 ds.	188									22				150	
2	" 16		W. Graves	"	Mdse.	Farmers "	188	" 16	10 ds.	188									29				Int 250	Sept 29 Paid.
3	" 26	Henry T. French	Perry & P.	"	Full of acct.	with Nat. "	188	" 26	60 ds.	188											28		235	

Cash Debits Sept. 189–

	L.F.						
		Cash	To Sundries				
1		Student	Investment	1000			
1		W. T. Howard	Investment	1000			
6		H. W. Smith	On account	150			
12		Geo. R. Strong.	On account	50			
18		Mdse	100 Yds. Matting 30¢	30			
20		Gardner & Son	On invoice	75			
20		Geo R Strong	On acct	150			
22		Bills Rec	H. W. Smiths note paid	150			
28		H. W. Smith.	On invoice	175			
29		Bills Rec.	Wm Graves note paid	250			
29		Interest	On above		54		
						3030	54
						3030	54
			October 189–				
1		Balance	Cash on hand			1510	54
3		H. W. Smith	On acct	100			
8		Bills Rec	Perry & P. note prepaid	235			

STUDENT.

						189– Sept.	1	Cash,	2	1000	

WM. T. HOWARD.

189– Sept.	17	Cash,	3	50		189– Sept.	1	Cash,	2	1000	

MERCHANDISE.

189– Sept.	2	Howe & Rogers,	1	1030		189– Sept.	3	H. W. Smith,	1	300	
"	5	James Reed & Co.,	1	700							

HOWE & ROGERS.

189– Sept.	4	Cash,	3	100		189– Sept.	2	Mdse.	1	1030	

Cash Credits Sept. 189—

	L.F.					
		Sundries	To Cash			
4		Howe & Rogers	On account	100		
10		Expense	Office books Scranton & Co.	25		
15		Jas. Reed & Co.	On account	200		
17		W. T. Howard	Private account	50		
24		Expense	Coal for store	15		
25		Bills Pay.	Acceptance favor, Harris	300		
27		Howe & Rogers	On acct	730		
30		Expense	Students salary	100		
					1520	
30		Balance (red ink)	Cash on hand		1510	54
					3030	54
			October 189—			
4		Bills Pay	Note favor Howe & R	200		
4		Jas. Reed & Co.	On invoice	300		
8		Discount	On P. & P. note	2		

H. W. SMITH.

189–						189–				
Sept.	3	Mdse.	1	300		Sept.	6	Cash,	2	150
						"	9	Bills Rec.	1	150

EXPENSE.

189–										
Sept.	10	Cash,	3	25						

BILLS RECEIVABLE.

189–						189–				
Sept.	9	H. W. Smith,	1	150		Sept.	22	Cash,	2	150

CASH.

189–						189–				
Sept.	30	Sundries,	2	3030	54	Sept.	30	Sundries,	3	1520

NOVEMBER AND DECEMBER.

[1] The design of this set is to illustrate the keeping of a Sales Book and Check Book, in addition to the books employed in the previous set, and also to give the pupil practice in writing a variety of papers and forms required in business transactions.

[2] The **Sales Book** is kept as a principal book, all sales of Merchandise being entered only in this book. [3] In posting from the Sales Book, each person whose name appears in it is debited with the amount of his invoice, and [4] at the end of the month, Merchandise account is credited with the total sales for the month.

[5] In the **Check Book** all transactions with the bank are recorded. [6] Entries are also made in the Cash Book for these transactions, as heretofore.

[7] Two forms for keeping the Check Book are illustrated in this set. [8] In the first form the deposits are entered on the left hand page of the stub, and the checks on the right hand page. The footings of the pages are carried forward to the end of the week or month, or until such time as the Pass Book is written up by the bank, when the balance is proved and the true balance carried forward. [9] In the second form all of the entries are made on the right hand page of the stub, the deposits as they are made being added to, and the checks as they are drawn being subtracted from, the previous balance in bank. [10] Each of the above forms possesses certain advantages over the other, [11] but for an extensive business in which a large number of checks are drawn and frequent deposits made, the first form is preferred. [12] In this set the first form is recommended.

In addition to making the entries for the transactions in the books, all of the business papers, such as invoices, letters, telegrams, notes, checks, deposit tickets, drafts, receipts, orders, etc., are to be written by the pupil, as he comes to them in the memoranda, and before making the entries in the books. Specimens of these forms will be found on the last pages of the text-book.

NOTE TO THE TEACHER.— In addition to writing the business papers and forms as outlined above, the practice work of this set may be rendered more interesting and valuable by employing imitation money and actually performing the business called for in the memoranda, more or less in detail as time and circumstances will permit.

To accomplish this it is only necessary that the teacher, or some one selected to act for him, represent the other parties to the transactions, receiving the money, papers, etc., which are presented by the pupils.

The pupil should be required to write all of the papers, those belonging to other parties as well as his own. It is desirable that the papers be written and handed in for each transaction as it is reached in the work, but this requirement may, of course, be varied to suit the convenience of the teacher.

In case the teacher receives the papers, etc., and his time is limited, it will relieve him materially to have the pupil not only write all papers for other parties, but affix their signatures as well, where signatures are required. That the pupil may not get a wrong impression regarding this act, it should be explained to him that he does it simply to relieve the teacher of this particular work, and that he could not, of course, affix such signatures if the transactions were real and the papers *bona fide*.

No books need be kept representing the other parties, unless it is so desired, the teacher simply receiving the money, papers and other documents, and examining them with reference to accuracy, correctness of form, penmanship, neatness, etc., making such criticisms and suggestions as may be needed.

The directions given in connection with the memoranda are based upon the practice work suggested above being carried out. The extent to which this shall be done or the manner of doing it may be regulated entirely by the teacher.

If it be desired to work the set by theory only, the same as in preceding sets, so much of the instructions given in connection with the memoranda as relate to transacting the business will of course be disregarded.

BUYING PRICE LISTS FOR NOVEMBER AND DECEMBER.

	No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Adz Eye Hammers,	4.75 doz.	4.60	4.55	4.65	4.50	4.60	4.55	4.75	4.60	4.50
Blacksmiths' Drills,	5.00 each	5.00	5.25	4.90	5.00	4.90	4.95	4.90	5.00	5.25
Babbit Metal,	.12½ lb.	.12	.12½	.11	.12	.11½	.12½	.12	.11	.11½
Barn Door Hangers,	2.00 pr.	1.90	1.75	1.80	1.90	1.75	2.00	1.80	1.75	1.90
Cut Nails, 8d., 100 lb. keg,	.03⅛ lb.	.03	.03⅓	.03½	.04	.03½	.03⅓	.03⅔	.03	.04
Cast Steel Axes,	10.00 doz.	9.00	9.25	9.00	9.50	9.00	9.25	9.50	10.00	9.25
Carpet Stretchers,	2.25 doz.	2.10	2.00	2.05	2.50	2.25	2.00	2.20	2.25	2.10
Copying Presses,	4.50 each	4.00	3.90	3.95	4.00	4.25	3.90	3.95	4.00	3.90
Grindstones,	1.50 each	1.40	1.50	1.40	1.35	1.45	1.50	1.40	1.45	1.35
Hand Saws, 26 in.,	15.00 doz.	14.00	13.50	14.25	14.00	13.25	13.50	14.00	14.50	15.00
Ice Cream Freezers,	4.00 each	3.75	3.60	3.50	3.60	3.75	4.00	3.60	3.75	3.50
Jack Planes,	5.00 doz.	5.00	4.90	4.85	4.75	4.80	4.90	5.00	4.95	4.80
Knives and Forks,	4.00 doz.	4.00	3.80	3.90	3.75	3.90	3.85	4.00	3.75	3.90
Mortise Locks,	2.25 doz.	2.10	2.00	2.05	2.00	2.05	2.10	2.25	2.10	2.05
Porcelain Knobs,	.75 doz.	.75	.70	.75	.65	.70	.75	.70	.75	.70
Plain Galv'd Coal Hods,	10.00 doz.	9.50	10.00	10.25	9.75	10.00	9.50	9.25	9.75	9.50
Ratchet Braces,	8.75 doz.	8.50	8.10	8.50	8.25	8.50	8.75	8.50	8.25	8.50
Rail Road Picks, 8 lb.,	6.50 doz.	6.25	6.20	6.25	6.00	6.25	6.20	6.50	6.20	6.50
Strap Hinges, 8 in.,	3.00dz.pr.	2.90	2.75	3.00	2.75	2.90	3.00	2.75	2.80	2.90
Steelyards,	6.50 doz.	6.40	6.35	6.40	6.30	6.40	6.35	6.50	6.40	6.45
Try Squares, 8 in.,	3.50 doz.	3.25	3.00	3.25	3.00	3.50	3.25	3.50	3.00	3.25
Universal Clothes Wringers	4.00 each	4.25	4.00	4.10	4.00	4.25	4.10	4.50	4.25	4.50
Wrought Wrenches,	11.50 doz.	11.25	10.00	10.50	10.00	10.25	10.75	11.00	11.25	11.00
Washers, ½ in.,	.06 lb.	.05	.04½	.05½	.05	.05½	.06	.06¼	.05½	.06

SELLING PRICE LISTS FOR NOVEMBER AND DECEMBER.

	No. 1.	*2.*	*3.*	*4.*	*5.*	*6.*	*7.*	*8.*	*9.*	*10.*
Adz Eye Hammers,	5.75 doz.	5.75	5.70	5.75	5.50	5.55	5.50	5.60	5.50	5.40
Blacksmiths' Drills,	6.00 each	6.25	6.10	5.80	5.90	5.75	5.80	5.75	5.90	6.00
Babbit Metal,	.15 lb.	.15	.16⅔	.14	.14½	.14	.15	.14	.13½	.14
Barn Door Hangers,	2.50 pr.	2.50	2.33⅓	2.25	2.35	2.20	2.45	2.25	2.10	2.30
Cut Nails, 8d., 100 lb. keg,	.04 lb.	.04⅛	.04⅓	.04	.05	.04½	.05	.05	.04	.05
Cast Steel Axes,	12.50 doz.	12.25	11.75	11.50	12.00	11.60	11.75	12.00	12.50	11.75
Carpet Stretchers,	3.00 doz.	3.10	3.25	2.75	3.00	2.90	2.75	2.95	3.00	3.15
Copying Presses,	5.50 each	5.25	5.00	4.75	4.85	5.00	4.80	4.85	4.75	4.40
Grindstones,	2.25 each	2.25	2.00	2.10	2.00	2.15	2.25	2.15	2.20	2.10
Hand Saws, 26 in.,	18.00 doz.	18.00	17.00	17.50	17.00	16.75	16.85	17.00	17.25	18.00
Ice Cream Freezers,	5.00 each	5.00	4.75	4.50	4.60	4.75	4.95	4.50	4.70	4.25
Jack Planes,	6.00 doz.	6.25	5.75	5.70	5.60	5.75	5.85	5.75	5.50	5.40
Knives and Forks,	5.00 doz.	5.25	5.20	4.80	4.75	4.85	4.80	4.90	4.75	4.80
Mortise Locks,	3.00 doz.	3.00	2.75	2.70	2.65	2.70	2.75	2.85	2.70	2.65
Porcelain Knobs,	1.25 doz.	1.30	1.25	1.20	1.15	1.20	1.25	1.20	1.25	1.15
Plain Galv'd Coal Hods,	12.50 doz.	12.25	12.00	12.50	11.75	12.25	11.50	11.00	12.00	11.75
Ratchet Braces,	10.75 doz.	10.75	10.10	10.50	10.25	10.50	10.75	10.50	10.75	10.50
Rail Road Picks, 8 lb.,	9.00 doz.	9.00	8.75	8.80	8.50	8.75	8.70	8.65	8.50	8.75
Strap Hinges, 8 in.,	4.50dz.pr.	4.50	4.00	4.25	4.00	4.25	4.50	4.25	4.30	4.40
Steelyards,	8.50 doz.	8.50	8.25	8.40	8.35	8.40	8.25	8.45	8.30	8.35
Try Squares, 8 in.,	4.75 doz.	4.75	4.30	4.50	4.25	4.75	4.50	4.75	4.25	4.50
Universal Clothes Wringers	5.50 each	5.75	5.00	5.50	5.40	5.65	5.50	5.75	5.50	5.75
Wrought Wrenches,	14.75 doz.	14.75	13.50	13.75	13.50	13.25	14.00	14.25	14.50	14.00
Washers, ½ in.,	.07½ lb.	.07½	.06¼	.07	.06½	.07	.07	.07½	.07	.07½

MEMORANDA OF TRANSACTIONS FOR NOVEMBER.

1. Student and Geo. D. Whitney have this day formed a co-partnership, under the firm name of Student & Co., and have leased of H. N. Smith the store No. 1466 Main Street, at 1200.00 per year, rent payable monthly in advance, for the purpose of carrying on the Hardware business.

Articles of co-partnership made and executed this day provide as follows: The capital of the firm shall be 10000.00, of which amount each partner shall invest one-half. Each partner shall devote his entire time to the business. Neither partner shall engage in other business. Neither partner shall endorse or become surety for others. Neither partner shall withdraw from the business to exceed in amount his share of the profits for the year. The gains and losses of the business shall be shared equally.

NOTE.—A lease, and articles of co-partnership, may be drawn up by the pupil at the discretion of the teacher. For general form of Lease and Articles of Co-partnership, see Commercial Law.

The firm's resources and liabilities are as follows:

RESOURCES.

Cash paid in,	4000.00

Enter the above in the Cash Book, and credit each partner for one-half the amount.

Geo. B. Gordon, City, on account,	1600.00
Carter & Weeks, Plainfield, on account,	2500.00
A. G. Steele & Co., City, on account,	954.50
Sewell & Clark, Greenville, on account,	1050.75
Wm. Peet, City, on account,	800.00
French & French, Oakland, on account,	375.25
The Grover Mfg. Co., North Bend, on account,	1625.60

LIABILITIES.

Swift, Ennis & Co., City, on account,	918.75
A. B. Smith, Centralia, on account,	411.51
Wells & Gardner, City, on account,	575.84
D. B. Pond & Bro., Chicago, on account,	1000.00

Enter the above in the Journal. Make the entry in the Journal according to the second form explained in Remark 1 on page 65.

Receive cash from the teacher for the amount of the cash investment.

You may, in this set, post the transactions at the end of each day's business. In opening personal accounts, give the place of residence; the State will be added by the pupil. The initials of the book from which the entry is posted are to be used in the Ledger instead of a complete explanation. Thus, if the entry comes from the Sales Book, enter in the explanation column, S. B.; if from the Cash Book, C. B.; and if from the Journal, J. This plan will materially shorten the work of posting, and generally meet all requirements.

Give Merchandise, Expense, Interest and Discount, Collection and Exchange, Bills Rec. and Bills Pay. each one-half page space, and all other accounts each one-fourth of a page space.

Open an account at Flour City Bank, and deposit cash, 2000.00. (*Ck. B.*)

Write a deposit ticket (see form, page 88). Enter the deposit on left side of stub in the Ck. B. (see form, page 87).

Take the money, deposit ticket and your pass book to the bank (or teacher) and receive credit.

Buy of Hemingway & Selden, City, on account, 60 da., 2% 10 da., 20 doz. C. S. Axes; 1000 lbs. B. Metal; 4 doz. Hand Saws; 5 doz. W. Wrenches; 10 I. C. Freezers; 6 doz. Steelyards; 20 doz. Porc. Knobs; 20 doz. Knives and Forks; 10 U. C. Wringers; 200 lbs. Washers; 10 doz. Adz Eye Hammers. (*J.*)

Make an invoice of above and submit it to the teacher for approval. After making the entry, fold and file the invoice for reference and as a voucher. The items need not necessarily be entered in the Journal; simply write in connection with the journal entry for explanation, "Invoice No. 1, Nov. 1, 189–." The terms of the Invoice are 60 days; if paid within 10 days, 2% discount on the amount of the invoice will be allowed.

Pay H. N. Smith one month's rent of store, in advance, by check (*C. B. and Ck. B.*).

Write the check (see check book, page 87), and deliver it; also write a receipt, which you will properly file and preserve as a voucher.

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

Sell E. Langworthy, Marcellus, on acct., 10 days, 2 doz. W. Wrenches; 3 doz. A. E. Hammers; 4 I. C. Freezers; 2 doz. C. S. Axes; 200 lbs. B. Metal (*S. B.*).

Make entry in Sales Book (see form of S. B. page 88), and write and deliver the invoice.

2. Sell Barber & Swift, Georgetown, on acct., 10 days, 1 doz. Hand Saws; 5 doz. Knives and Forks; 5 doz. Porc. Knobs; 1 doz. Steelyards; 100 lbs. B. Metal; 4 U. C. Wringers.

Proceed in same manner as with sale to E. Langworthy, 1st inst. It is not thought necessary to give directions for performing the practice work when the transaction is similar to those previously explained.

Sell L. B. Mason, City, on acct., 10 days, 2 doz. A. E. Hammers; 2 doz. C. S. Axes; 3 I. C. Freezers; 50 lbs. Washers.

Buy of Briggs & Son, Office Safe, and pay for same by check on F. C. Bank, 225.00 (*C. B. & Ck. B.*).

After making the proper entries (open Office Fixtures acct.) deliver the check, and file the receipted bill of B. & Son as a voucher.

Order by telegraph of Pratt, Conway & Mills, Pittsburg, 200 kegs 8d. Cut Nails, to be shipped immediately by fast freight (*Memorandum*).

Write the telegram and hand it in. Limit the number of words in the message to ten, exclusive of address and signature.

Give Wells & Gardner check to apply on account, 275.84 (*C. B. & Ck. B.*)

Draw the check and hand it in. Take a receipt, and file as a voucher.

Receive of Wm. Peet, his check on Traders Bank to apply on account, 300.00 (*C. B.*)

Write the check and give a receipt.

Deposit in F. C. Bank 500.00 in currency, and Wm. Peet's check (*Ck. B.*)

Make the deposit ticket, giving the items; also enter the items on the stub of Ck. B. (see form page 87).

3. Receive by Commercial Freight Line from Hart, Bliven & Mead, 494 and 496 Broadway, New York, goods as per invoice dated Nov. 1, 189–. Terms, 90 days, 2% 30 days, 3% 10 days, 25 doz. Carpet Stretchers; 15 doz. Jack Planes; 10 doz. R. R. Picks; 10 doz. Try Squares; 25 doz. Mortise Locks; 15 Copying Presses; 5 doz. Ratchet Braces; 10 pr. B. D. Hangers; 5 doz. P. G. Coal Hods. (*J.*)

See instructions under bill bought of Hemingway & Selden, 1st inst.

Sell French & French, Oakland, on acct., 10 days, 2 pr. B. D. Hangers; 5 Copying Presses; 2 doz. Jack Planes; 5 doz. Mortise Locks; 2 doz. R. R. Picks; 3 doz. Try Squares; 200 lbs. B. Metal.

Pay J. B. Jones' bill for stationery supplied for office use in cash, 27.50 (*C. B. Expense acct.*).

Accept, payable at F. C. Bank, D. B. Pond & Bro.'s draft, dated Nov. 2, at 3 days' sight, favor Charles Green, 400.00 (*J. & B. B.*)

Write the draft, including acceptance, and, after making the proper entries, hand it in.

Receive of G. B. Gordon, on acct., his check on Merchants Bank, 600.00.

Sell E. Langworthy, 10 days, 2 doz. Ratchet Braces; 5 doz. Carpet Stretchers; 3 doz. R. R. Picks; 2 doz. Try Squares; 3 Copying Presses.

Sell L. B. Mason, 10 days, 1 doz. Hand Saws; 3 Copying Presses; 5 doz. Knives and Forks.

Rule and foot the Sales Book at the bottom of each page, and carry the footing forward.

Receive of Carter & Weeks, on acct., their check on First National Bank of Plainfield, 500.00.

Deposit Currency, 300.00; also the checks of Gordon and Carter & Weeks. Bank charges $\frac{1}{10}\%$ collection on C. & W's. check (*C. B. & Ck. B.*).

Deduct the collection on the check from the footing of the deposit ticket. Remember to copy the ticket on the left stub of Ck. B. (See form page 87.) Debit Collection in the C. B.

5. Order of D. B. Pond & Bro., Chicago, to be shipped via C. N. Line, 100 Grindstones; 50 Blacksmiths' Drills (*Memorandum*).

Write a letter ordering the above. Enclose it in an envelope properly directed and hand it in. No entry to be made until goods are received.

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

Receive cash of Barber & Swift, in full of Invoice, 2nd inst.

Sell Sewell & Clark, Greenville, on acct., 10 days, 2 doz. R. R. Picks; 5 doz. Mortise Locks; 5 doz. C. S. Axes; 3 pr. B. D. Hangers; 5 doz. Porc. Knobs; 5 doz. Knives and Forks; 5 doz. Carpet Stretchers.

Receive of A. G. Steele & Co. their note at 60 days, payable at Merchants Bank, to apply on acct., 500.00 (*J. & B. B.*).

Write the note and make the proper entries in J. & B. B.

Give Hemingway & Selden a check in full of Invoice, 1st inst., less 2% (*C. B.*)

Debit H. & S. on right side of C. B. for the full amount of the Invoice, and credit Mdse. on the left side for the 2% allowance.

8. Receive the nails ordered of Pratt, Conway & Mills, 2nd inst. Invoice dated Nov. 2nd. Terms cash, in 10 days.

Receive cash of E. Langworthy, on acct., 50.00.

Draw on Carter & Weeks, at sight, for 500.00, your favor, to apply on acct., and leave the draft at F. C. Bank for collection (*Memorandum*).

Write the draft, endorse it in blank, and hand it in.

Sell Daniels & Baker, Cedar Grove, on acct., 10 days, 25 kegs Cut Nails; 3 doz. Jack Planes; 3 doz. C. S. Axes; 5 doz. Mortise Locks; 200 lbs. B. Metal.

9. Your acceptance of 3rd inst., due to-day, has been presented at F. C. Bank, paid and charged to your account. (*C. B. and Ck. B.*)

Enter the acceptance on the right-hand stub of the Ck. B. to be added in with the checks, thus crediting the bank the same as though a check had been drawn.

Receive of French & French their check on Farmers' Bank of Oakland on account, 375.25.

Deposit Cash in F. C. Bank, 200.00. Also French & French's check. Bank charges $\frac{1}{10}\%$ collection on the check.

10. Receive by Commercial Freight Line, from Hart, Bliven & Mead, goods as per Invoice dated Nov. 8, terms, 90 days, 2% 30 days, 3% 10 days, 25 doz. pairs Strap Hinges; 10 U. C. Wringers; 10 doz. A. E. Hammers; 5 doz. H. Saws; 15 Copying Presses; 10 doz. W. Wrenches; 5 doz. Ratchet Braces; 20 doz. Knives and Forks; 10 I. C. Freezers; 20 pr. B. D. Hangers; 10 doz. Steelyards; 5 doz. C. S. Axes.

Receive of Grover Mfg. Co., to apply on acct., their draft for 1000.00, dated Nov. 8, at 15 days' sight, on Colton & Reese, this city, which they have accepted this day, payable at F. C. Bank. Endorse the acceptance, and leave it at F. C. Bank for collection.

12. Buy at F. C. Bank by check, at $\frac{1}{4}\%$ exchange, a draft on Exchange Nat. Bank, New York, and remit the same to Hart, Bliven & Mead, in full of Invoice Mdse, received 3rd inst., less 3%. (*C. B. and Ck. B.*)

For form of filling out this check, see Ck. No. 3, page 87. Write the draft, (see form on page 60) endorse it in full to H. B. & M., and write a letter, enclosing it to them. Debit H. B. & M. for full amount of Invoice; credit Mdse. for the 3% allowance; debit Exchange for the bank's charges.

13. Receive of French & French, their check on Farmers Bank of Oakland for Invoice, 3rd inst.

Receive of L. B. Mason, his check on Traders Bank for Invoice, 3rd inst.

Sell C. B. Shafer, Gasport, 3 doz. C. S. Axes; 2 doz. P. G. Coal Hods; 3 doz. W. Wrenches; 4 doz. Ratchet Braces; 2 doz. Jack Planes; 5 Copying Presses. Receive cash, 75.00, balance on acct., 10 days.

Deposit Currency, 100.00, also checks of French & French and L. B. Mason; bank deducts $\frac{1}{10}\%$ for F. & F.'s check.

15. Pay Hamilton & Groves' bill for Office Desk, by check, 100.00.

Receive the goods ordered of D. B. Pond & Bro., 5th inst. Invoice is dated Nov. 8, 30 days.

Sell E. Langworthy, on acct., 10 days, 25 kegs Cut Nails; 5 B. S. Drills; 5 doz. pr. Strap Hinges; 2 doz. P. G. Coal Hods; 50 lbs. Washers.

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

Receive of Sewell & Clark their check on First Nat. Bank of Greenville, in full for invoice of 5th inst.

Deposit in F. C. Bank Sewell & Clark's check. Bank charges $\frac{1}{10}\%$ collection on the check.

17. Pay A. B. Smith's sight draft on you, dated Nov. 15th, favor A. M. Purdy & Co., 200.00, by check.

Receive credit at F. C. Bank, for the draft on Carter & Weeks, left for collection 8th inst., less bank's charges, $\frac{1}{4}\%$.

Take your pass-book and have the proceeds entered in it to your credit.

18. Buy a draft on New York at F. C. Bank, by check, at $\frac{1}{4}\%$ exchange, and remit it to Pratt, C. & M., in full of Invoice of Mdse. received 8th inst.

See instructions for remitting to Hart, B. & M., 12th inst. In this case, however, there is no discount allowed.

Receive of Daniels & Baker, their check on Citizens Bank, Cedar Grove, for Invoice 8th inst.

Sell Barber & Swift, for cash, 50 kegs Cut Nails.

Debit B. & S. in S. B. and credit them in C. B.

Deposit currency, $300.00, and Daniels & Baker's check. Bank charges, $\frac{1}{10}\%$ collection on the check.

20. Geo. D. Whitney draws from the business for individual use, by check, 350.00.

Charge this to "Geo. D. Whitney, Private Account," and open such an account in the Ledger instead of posting it to his investment account.

Remit Hart, Bliven & Mead a draft on New York for Invoice of goods received 10th inst., which you will buy at F. C. Bank by check. Exchange, $\frac{1}{4}\%$.

Follow the instructions given for remittance made them on the 12th inst. The discount in this case is 2%.

22. Discount, at F. C. Bank, A. G. Steele & Co.'s note, received 5th inst.; receive credit for the proceeds. (*C. B. & B. B.*)

Endorse the note in blank and receive credit for the proceeds in your pass book. Make proper memorandum in the B. B.

23. Pay Wells & Gardner, cash in full of account.

Sell French & French, on acct., 10 days, 5 B. S. Drills; 10 Grindstones; 5 doz. Porc. Knobs; 3 doz. W. Wrenches; 2 doz. C. S. Axes; 100 lbs. B. Metal; 5 doz. A. E. Hammers; 4 Copying Presses.

25. Accept, payable at F. C. Bank, D. B. Pond & Bro.'s draft, dated Nov. 22, at 3 days' sight, favor Charles Green, 600.00.

Pay Barton & Co.'s bill for coal for use of store, in cash, 50.00.

26. Student takes from the stock for his individual use, to be charged to him at COST, 1 I. C. Freezer; 1 doz. Knives and Forks; 1 U. C. Wringer. (Debit *Student, Private Account.*)

Make a statement of E. Langworthy's account. Write him a letter to the effect that the account is considerably overdue, and urge immediate payment. State that if not paid before Dec. 1st you will draw at sight for the balance due.

28. Receive cash of A. G. Steele & Co. to balance account.

Deposit cash in F. C. Bank, 400.00; also receive credit for the acceptance of Colton & Reese, left the 10th inst. for collection.

This paper being payable in the city, the bank makes no charge for collection.

29. Write a letter to Hart, B. & Mead, ordering the following goods to be shipped by Commercial F. F. Line: 10 doz. P. G. Coal Hods; 5 doz. C. S. Axes; 10 doz. Hand Saws; 15 doz. Porc. Knobs; 10 doz. R. Braces; 5 doz. R. R. Picks; 5 doz. Try Squares; 5 doz. W. Wrenches; 200 lbs. Washers. Inform H., B. & M. that many of the Coal Hods in the previous invoice were imperfect, and request an allowance of 10.00.

Pay freight bills for the month, in cash, 35.50. (*Debit Mdse.*)

30. Pay salaries of Employees for the month, in cash, 100.00.

You will now balance the Cash Book and Check Book (*see form of Ck. Bk. page 87*), rule and foot the Sales Book, complete the posting, and take a trial balance. Post the total footing of the Sales Book as instructed on page 78. *Do not open a cash account in the Ledger, but carry to the trial balance the difference between the sides of the Cash Book, that is, the cash balance. In taking the trial balance for this set, use the differences of the accounts instead of the footings.*

NOTE TO THE STUDENT.—After completing the posting, if it is desired, you can test the accuracy of your extensions of merchandise bought and sold by comparing the footings of your Merchandise account with the figures given below under the list number corresponding to your own. The *upper* amount is the total debit of merchandise and the *lower* amount the total credit of merchandise, for the month.

DEBIT AND CREDIT FOOTINGS OF MERCHANDISE ACCOUNT.

No. 1.	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
2984.00	2861.65	2896.77	2924.65	3020.55	2938.40	2931.77	3008.58	2868.90	3066.70
1711.66	1722.67	1715.97	1632.40	1731.88	1686.86	1750.95	1747 97	1649.40	1729.88

You can also test the correctness of your Cash Book and Check Book entries, and the cash on hand, by comparing the balances of those books, and the cash on hand, with the amounts given below, under the list number corresponding to your own. The *upper* amount is the balance in bank; the *lower* amount is the cash on hand (in safe and in drawer), and the sum of the two amounts is the balance of cash, as shown by the difference between the sides of the Cash Book.

CASH IN BANK AND ON HAND.

No. 1.	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
3939.13	4053.30	4039.01	3950.03	3882.91	3957.86	3989.08	3901.01	4019.76	3845.00
561.25	570 00	585.67	558.40	607.45	583.50	608.85	609.45	557.55	609.60

MEMORANDA OF TRANSACTIONS FOR DECEMBER.

1. Receive of C. B. Shafer, his check on East Side Banking Co., City, to balance account.

   Your acceptance, due to-day, has been paid at F. C. Bank and charged to your account.

   Sell Daniels & Baker, at 10 days, 5 doz. Steelyards; 10 Grindstones; 2 doz. C. S. Axes; 5 doz. M. Locks; 5 U. C. Wringers.

   Receive cash of L. B. Mason, in full of account.

   Deposit cash, 300.00, and Shafer's check.

   Draw on E. Langworthy at sight, in full of his account as per statement and letter of advice of 26 ult.

   Leave the draft for collection.

2. Receive a letter from Hart, Bliven & Mead, acknowledging receipt of your order of 29th ult., and stating that it will receive prompt attention; they express regret that the Coal Hods were not satisfactory, and inform you that the reduction asked for has been allowed and the amount placed to your credit.

   Debit H., B. & M., and credit Mdse. for the amount allowed. Write the above letter and present it to the teacher for approval.

3. Receive of Sewell & Clark their note dated Nov. 15th, at 60 days, payable at First Nat. Bank, Greenville, in full of their account, to which amount they add 63 days' interest.

   Make the note to cover the balance of account and 63 days interest on that amount.

   Give H. N. Smith a check for one month's rent of store, in advance.

   Order by letter of Pratt, Conway & Mills, Pittsburg, to be shipped by freight, 100 kegs Cut Nails. (*Memorandum.*)

4. Receive the goods ordered of Hart, B. & M., 29th ult. Invoice dated Dec. 1st, terms, cash in 10 days.

   Sell Barber & Swift, at 10 days, 5 doz. C. S. Axes; 10 doz. P. Knobs; 100 lbs. Washers; 4 doz. R. Braces; 5 B. Drills.

6. Sell L. B. Mason, at 10 days, 5 doz. Knives and Forks; 10 kegs Cut Nails; 50 lbs. B. Metal; 3 doz. R. R. Picks; 5 doz. pr. Strap Hinges; 2 doz. A. E. Hammers.

   Receive of Wm. Peet his check on Traders Bank, to balance account; also receive of Geo. B. Gordon his check on Merchants Bank, to apply on account, 400.00.

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Deposit the checks received of Wm. Peet and Geo. B. Gordon.

Give Swift, Ennis & Co. your check to apply on account, 500.00.

Receive cash of French & French in full of invoice, Nov. 23.

8. Sell Oliver & Brayton, City, at 10 days, 3 Copying Presses, 2 doz. P. G. Coal Hods, 2 doz. Try Squares, 50 lbs. Washers, 3 doz. J. Planes, 2 U. C. Wringers.

10. Accept, payable at F. C. Bank, D. B. Pond & Bro.'s draft at 30 days' sight, favor themselves, in full of invoice of Nov. 15.

Deposit cash in F. C. Bank, 250.00.

Pay November gas bill, in cash, 5.25.

11. Accept, payable at F. C. Bank, A. B. Smith's draft dated Dec. 8th, at five days' sight, favor John H. Boyd, in full of account.

Receive, via P. & W. R. R., from Pratt, Conway & Mills, 100 kegs Cut Nails. Invoice is dated Dec. 6th, at 10 days.

Receive cash of Geo. B. Gordon, on account, 200.00.

13. Receive credit at F. C. Bank for draft on E. Langworthy, left 1st instant, less charges for collection, $\frac{1}{4}\%$.

Receive of Daniels & Baker, their check on Citizens Bank, Cedar Grove, in full of invoice, 1st inst.

Deposit cash, 200.00, and Daniels & Baker's check. Bank charges, collection on check, $\frac{1}{10}\%$.

Buy a New York draft at F. C. Bank, by check, at $\frac{1}{4}\%$ exchange, and remit to Hart, B. & M., in full of invoice received 4th inst., less amount charged to their account for allowance on Coal Hods.

15. Receive cash of Barber & Swift, in full of their invoice of 4th inst.

18. Sell Sewell & Clark, at 10 days, 5 doz. R. Braces; 5 doz. Knives and Forks; 50 lbs. Washers; 3 Copying Presses; 25 kegs Cut Nails; 3 B. Drills; 10 Grindstones; 5 doz. pr. Strap Hinges.

Receive cash of L. B. Mason, in full of invoice of 6th inst.

Sell A. G. Steele & Co., City, 5 doz. P. Knobs; 5 doz. C. Stretchers; 10 pr. B. D. Hangers; 3 I. C. Freezers; 5 doz. W. Wrenches. Receive cash, 50.00; balance on account, 10 days.

19. Your acceptance favor J. H. Boyd, due to-day, has been paid and charged to your account at F. C. Bank.

20. Receive cash of Oliver & Brayton, in full of invoice 8th inst.

Deposit cash in F. C. Bank, 300.00.

Student draws from the business for his individual use, by check on F. C. Bank, 300.00.

21. Buy of Hemingway & Selden, 60 days, 2% 10 days, 10 doz. Hand Saws; 10 doz. W. Wrenches; 5 doz. C. S. Axes; 10 doz. Knives and Forks; 20 doz. M. Locks.

23. Draw on Carter & Weeks at sight, for 500.00 in your favor, and leave the draft for collection.

24. Discount at F. C. Bank, Sewell & Clark's note received 3rd inst., and have the proceeds placed to your credit. The bank charges $\frac{1}{4}\%$ collection in addition to the discount.

The collection, as well as the discount, is computed on the face of the paper.

Pay Pratt, Conway & Mills' sight draft on you for invoice received 11th inst., by check on F. C. Bank.

26. Pay Freight Bills for the month, in cash, 21.60.

27. Sell E. Langworthy, at 10 days, 5 doz. pr. S. Hinges; 5 doz. W. Wrenches; 10 doz. M. Locks; 5 pr. B. D. Hangers; 5 doz. J. Planes; 1 Copying Press; 5 doz. C. Stretchers; 50 lbs. Washers.

Receive of Carter & Weeks their note dated Dec. 24th, at 30 days, payable at First Nat. Bank, Plainfield, to balance account, 1000.00.

28. Receive cash of A. G. Steele & Co. for balance due on invoice 18th inst.

29. Receive credit at F. C. Bank for draft on Carter & Weeks, left 23d inst., less collection, $\frac{1}{4}\%$.

30. Give Hemingway & Selden check in full of invoice 21st inst,, less 2%.

Pay salaries of Employees for the month, in cash, 100.00.

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Receive Sewell & Clark's check on First Nat. Bank of Greenville, in full for invoice of 18th inst.

Deposit Sewell & C.'s check and all the cash on hand. Bank charges, $\frac{1}{10}\%$ collection on the check.

Leave your pass book to be written up.

31. The bank returns your pass book written up and balanced. On proving same with your check book, you find the balances to agree, allowing for the check given H. & S., 30th inst., which was not in when the pass book was balanced.

Close Student, Private Account, and Geo. D. Whitney, Private Account, into Student account and Geo. D. Whitney account.

INVENTORIES, DEC. 31, 18–.

8 doz A. E. Hammers,	70 Grindstones,	5 doz. R. R. Picks,
32 B. Drills,	27 doz. Hand Saws,	5 doz. pr. Strap Hinges,
150 lb. B. Metal,	9 I. C. Freezers,	10 doz. Steelyards,
10 pr. B. D. Hangers,	24 doz. Knives and Forks,	8 doz. Try Squares,
165 kg. (16500 lb.) Cut Nails,	15 doz. M. Locks,	8 U. C. Wringers,
11 doz. C. S. Axes,	5 doz. P. Knobs,	12 doz. W. Wrenches,
5 doz. Carpet Stretchers,	9 doz. P. G. Coal Hods,	50 lb. Washers.
3 Copying Presses,	5 doz. R. Braces,	

OFFICE FIXTURES. — Office safe, 225.00; office desk, 100.00; total, 325.00.

You will now balance the Cash Book, foot the Sales Book and complete the posting, after which *make a balance sheet and close the Ledger.*

Your net gain should agree with the result given below, under the price list number corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6*	*No 7.*	*No. 8.*	*No. 9.*	*No. 10*
	109.11	226.61	168.71	34.28	97.96	96.59	195.06	132.84	99.74	79.28

After completing the work of closing the Ledger hand your books, together with all of the business papers involved in the foregoing set, to the teacher for inspection, and prepare for an examination on the work passed over. Questions for such examination will be found below.

MISCELLANEOUS QUESTIONS.

[1] From what does Double Entry Book-keeping take its name? [2] How are you enabled to decide to which of the two general classes of accounts used in double entry any particular account belongs? [3] What title may be used instead of the proprietor's name? [4] Mention three accounts that you can always tell which side should be greater, if there is any difference. [5] To which of the two general classes of accounts does a Personal account belong? [6] What circumstance might arise to place it in the other class? [7] Why is it necessary that Bills Payable and Bill Receivable should always be debited and credited with their *face* value? [8] Mention some of the errors which will not affect the equality of the Ledger. [9] In case the Trial Balance does not prove, give the short tests to be applied before proceeding to examine the posting. [10] When the check of another person is received, how is it journalized? [11] Give an example of an inventory showing a liability. [12] Give the two ways of finding the Present Worth in double entry. [13] What is meant by Insolvency? [14] What is the object of closing accounts showing losses and gains? [15] In closing an account, why is the equality of the Ledger not affected? [16] What is meant by the acceptance of a draft? [17] Give the general rule for journalizing drafts when drawn on account. [18] What journal entry is made when the proprietor commences business with both Resources and Liabilities? [19] In closing an account having a resource inventory, why is it necessary to credit the account with the inventory before it can be closed? [20] After the account has been closed, why must the inventory be carried below the rulings? [21] Why is the loss or gain not carried below the rulings? [22] When are personal accounts usually closed? [23] Do errors in journalizing affect the equality of the Ledger? [24] What advantage is obtained by using the Cash Book as a principal book? [25] How is the work of posting from the Cash Book performed? [26] What advantage is obtained by using the Sales Book as a principal book? [27] How are transactions with the bank treated when no bank account is kept in the Ledger, and how are the entries made for such transactions? [28] How is the Check Book balanced and proved when the Pass Book is written up? [29] How is the Cash Book balanced when there is cash both in the safe and in the bank?

LEFT-HAND PAGE STUB. (Bank Dr.)

1890.					
		Dep.			
Apr.	1	Cy.		1000	
		Dep.			
"	10	Cy.	450.		
		Traders	300.		
				750	
		Dep.			
"	13	Cy.	350.		
		Merchants	600.		
		Plainfield,	250.		
			1200.		
		Coll.	.25		
				1199	75
		Coll.			
"	29	Carter & Weeks,		98	75
		Dep.			
"	30	Cy.	325.40		
		Oakland,	175.13		
		Plainfield,	252.12		
			752.65		
		Coll.	.42		
				752	23
		Disct.			
"	"	C. Dunning's note,		117	92
		PROOF.		3918	65
		Total Deposits.		3918	65
		" Checks,		636	62
		True Bk. Balance,		3282	03
		(Red ink)			
		Checks Out.			
		No. 2,		96	37
		Bal. pr. Pass Bk.		3378	40
1890.		(Black ink)			
May	1	True Balance,		3282	03

Form of proving and balancing check book when pass book is written up.

RIGHT-HAND PAGE STUB. (Bank Cr.)

No. 1.

Date, April 1, '90.

To C. B. Dunning.

For Rent for April.

Amount, $ 125

No. 2.

Date, April 27, '90.

To Edmonds & Spencer.

For Inv. Apr. 20, less 3%.

Amount, $ 96 37

Apr. 29. Our accpt J. & B. 315

No. 3.

Date, April 30, '90.

To F. C. Bank.

For N. Y. dft & exch.

Amount, $ 100 25

636 62

(DETACHABLE CHECKS.)

No. 1. Plymouth, Minn., April 1, 1890.

FLOUR CITY BANK
OF PLYMOUTH.

Pay to C. B. Dunning ~~~~~ or order,
One Hundred Twenty-five ~~~~~ 100 Dollars,
in College Currency.
$ 125 00/100 Student & Co.

No. 2 Plymouth, Minn., April 27, 1890

FLOUR CITY BANK
OF PLYMOUTH.

Pay to Edmonds & Spencer, ~~~~~ or order,
Ninety-six ~~~~~ 37/100 Dollars,
in College Currency.
$ 96 37/100 Student & Co.

No. 3 Plymouth, Minn., April 30, 1890.

FLOUR CITY BANK
OF PLYMOUTH.

Pay to N. Y. draft (100), exchange (25c) or
One Hundred ~~~~~ 25/100 Dollars,
in College Currency.
$ 100 25/100 Student & Co.

SALES BOOK.

APRIL 2, 189–.

L.F.						
3	W. Barnes, Madison, N. Y.					
	2 doz. Carpet Stretchers,	3.	6			
	10 Grindstones,	2.50	25			
	2 doz. C. S. Augers,	7.25	14	50		
	25 Kegs Cut Nails, 2500 lbs.	4c.	100		145	50
	"					
3	R. C. Smith, City.					
	3 U. Clothes Wringers,	6.25	18	75		
	5 Grindstones,	2.50	12	50		
	1 doz. Steelyards,	10.50	10	50	41	75
	5.					
4	Brown & Martin, Marion, Ohio.					
	10 B. Drills,	7.25	72	50		
	5 doz. P. G. Coal Hods,	15.	75			
	2 " C. S. Augers,	7.25	14	50		
	3 " W. Wrenches,	14.75	44	25		
	7 " Carpet Stretchers,	3.00	21		227	25
	6.					
4	B. R. Jones, Albion, Pa.					
	10 Kegs Cut Nails, 1000 lbs.,	4c.	40			
	2 U. Clothes Wringers,	6.25	12	50		
	3 doz. C. S. Augers,	7.25	21	75		
	7 " Carpet Stretchers,	3.	21			
	2 " W. Wrenches,	14.75	29	50		
	10 " C. S. Axes,	15.	150		274	75
	Forward,				689	25

CHECK STUB (second form).

1890
Nov 1, Deposited, 4000

No. 1
Date, Nov 4
To Briggs & Son
For Office Safe
Amt. 225
3775

Nov 11, Deposited, 300
4075

No. 2
Date, Nov 6
To Geo. D Whitney
For Private Acct
Amt. 200
3875

Nov 15, our acceptance, favor E C & Co. paid, 300
Forward 3575

FORM OF DEPOSIT TICKET.

DEPOSITED BY

Student & Co

IN THE

FLOUR CITY BANK,

Plymouth, Minn., *Apr 23*, 1890

Currency, - - - -	350	
Check, *Merchants,*	600	
Plainfield	250	
	1200	
Coll		25
	1199	75

Single Entry Book-Keeping.

SINGLE ENTRY [1] is a system of book-keeping which contemplates such a record, or the filing of such documents for reference only, as will enable the proprietor to determine at any time those resources and liabilities of his business, which cannot be found by taking an inventory.

[2] For this purpose the practice is to journalize and post personal accounts only. [3] Cash receipts and payments are entered in the Cash Book, and [4] Bills Receivable and Bills Payable in the Bill Book. [5] Hence, the distinguishing feature of Single Entry is, that only personal accounts are kept in the Ledger.

[6] The rules for journalizing personal accounts in Single Entry are exactly the same as in Double Entry. [7] The posting is also done in the same manner as in Double Entry.

[8] Sometimes a Cash account, a Merchandise account or an Expense account is kept in the Ledger, and sometimes all of these are kept; [9] but when such is the case it ceases to be Single Entry, as [10] a purely Single Entry Ledger contains only personal accounts. [11] To the extent that a Single Entry Ledger contains other than personal accounts it approaches Double Entry, but [12] it still will lack many of the valuable features of the Double Entry method.

[13] In Double Entry book-keeping, other accounts than those with persons are kept in the Ledger, and an entry is made in the Journal, or some other principal book, for every business transaction. [14] When such entry has been posted equal amounts will have been entered on both sides of the Ledger, hence, the name *Double Entry*. [15] In Single Entry book-keeping only personal accounts are kept in the Ledger, and [16] an entry is made in the Journal only when a personal account has been affected by a transaction. [17] When such entry has been posted a single amount will have been entered on but one side of the Ledger, hence, the name *Single Entry*.

[18] A Single Entry Ledger, then, differs from a Double Entry Ledger in that it contains only personal accounts. [19] Since but one amount is posted for each Journal entry in Single Entry, it will be apparent that the footings of the two sides of the Ledger will not be equal, and that no trial balance of a Single Entry Ledger can be taken.

[20] Since no accounts showing gains and losses are kept in Single Entry, it follows that an itemized statement of the gains and losses of the business cannot be obtained. [21] The net gain or net loss of the business can be determined, however, and as accurately as in Double Entry.

[22] If a business is worth more at closing than has been invested in it, a gain has been realized; [23] if it is worth less, a loss has been sustained. [24] The present worth of a business is the amount that the resources exceed the liabilities. [25] Hence, to determine the present worth of a business it is only necessary to subtract the sum of the liabilities from the sum of the resources. [26] And to ascertain the net gain or net loss it is only necessary to compare the present worth with the net investment.

[27] Transactions which result in increasing the net resources, or in [28] decreasing the net liabilities cause gains; [29] those which result in decreasing the net resources, or in [30] increasing the net liabilities cause losses; [31] those which result in increasing both resources and liabilities a like amount, or in [32] decreasing both resources and liabilities a like amount cause neither gains nor losses; those [33] which result in neither increasing nor diminishing the resources or liabilities cause neither gains nor losses.

[34] The resources of a business consist of the property belonging to the business and the debts owing to it; [35] the liabilities consist of the debts owing by the business. [36] Since the property belonging to a business can be ascertained at any time by taking an inventory, [37] it follows that the only records which it is absolutely necessary to make in order to be able to determine the results of the business, are of such transactions as affect personal accounts, and of such as cause the issuing of Bills Payable. [38] The latter record is in the form of a memorandum.

[39] For the purpose of exhibiting the details of the business, however, other records than the above are generally made: [40] such as a record of all cash transactions in a Cash Book; of all [41] written

promises of others received, as well as those issued by the business, in the Bill Book; of all [42] sales of merchandise in the Order Book or Sales Book; of all [43] purchases of merchandise in the Invoice Book or Accounts Payable Record; and of [44] all transactions with the bank in the Check Book.

Books Used in Single Entry. [45] The books used in a Single Entry set depend much upon the nature and extent of the business and the information it is desired to preserve. [46] The main books generally used are Day Book or Journal, and Ledger. [47] The auxiliary books are, generally, Cash Book and Bill Book. [48] Other books, as Order Book, Sales Book, Shipping Book, Accounts Payable Book, Invoice Book and Inventory Book, are sometimes used. [49] The forms of these books need not differ from those in Double Entry; in fact they are generally the same.

[50] The **Day Book,** or **Journal** as it is now called, contains all debits and credits to persons arising from transactions with such persons. [51] Such debits and credits should be accompanied by sufficiently clear and complete explanations of the transactions giving rise to the entries, or sufficient references should be made to the books containing the original entries, to enable any one, whether familiar with the circumstances or not, to readily understand any important facts regarding them.

[52] In law the book containing the original entry is the Day Book, whether such book is the Day Book so called, or the Sales Book, Cash Book, or any other book or record. [53] Such books of original entry become the basis for all explanations, [54] and are the only business records admitted as evidence in court. [55] Such records to possess value as evidence must be clear and complete and *free from erasures.* [56] A material alteration in an entry in a book of original entry taints the record, and sometimes makes it worthless. [57] When a mistake is made in a book of original entry it should be corrected in such a manner as will make the fact that it was a mistake apparent; in other words the evidence of the mistake should be preserved. [58] Erasing should never be resorted to in a book of original entry.

[59] The entries may be made in the Journal in the order of their occurrence, as illustrated in the month of January; or a [60] summary of the day's business as recorded in the other books may be made in this book at the close of each day, as illustrated in the month of February. [61] The posting is done entirely from the Journal in the month of January.

[62] The **Cash Book** used in this set is the common Single Entry form, which requires the use of but one page of the book at a time, [63] the entries being made usually in the order of their occurrence, [64] the receipts being entered in the left-hand money column and [65] the payments in the right-hand money column. [66] The difference between the footings of the two columns should, of course, agree with the amount of cash belonging to the business.

[67] The **Ledger** and **Bill Book** are the same in form as those used in the preceding sets. The other books used in the set will be explained and illustrated as they are introduced in the work.

[68] The following set is designed to illustrate book-keeping by Single Entry; also [69] the changing of Single Entry books to Double Entry. [70] In the month of January only the simplest form of Single Entry is illustrated. [71] In the month of February several labor saving features are introduced, together with improved forms of books; [72] and the manner of changing to Double Entry is fully explained and illustrated, [73] no additional books being required to continue the book-keeping by Double Entry.

GENERAL RULES FOR SINGLE ENTRY.

Rule 1. [74] *The* PROPRIETOR IS CREDITED

[a] *For the sum of his resources at the beginning of business;*
[b] *For subsequent investments in the business; and*
[c] *For his net gain, if any, when the books are closed*

Rule 2. [75] *The* PROPRIETOR IS DEBITED

[a] *For the sum of his liabilities at the beginning of business;*
[b] *For such sums as he may draw out of the business from time to time; and*
[c] *For his net loss when the books are closed, if there has been a loss.*

Rule 3. [76] PERSONS ARE DEBITED

[a] *When they get into our debt; and*
[b] *When we get out of their debt, in full or in part.*

Rule 4. [77] PERSONS ARE CREDITED

[a] *When we get into their debt; and*
[b] *When they get out of our debt, in full or in part.*

Rule 5. [78] CASH *is entered on the left-hand, or debit side, of the Cash Book, when it is received into the business from whatever source.*

Rule 6. [79] CASH *is entered on the right-hand, or credit side, of the Cash Book, when it is paid out for whatever purpose.*

Rule 7. [80] BILLS RECEIVABLE *are entered in the Bill Book as soon as received, with all of the particulars regarding them; as, the date of the note or acceptance, the date on which it will fall due, the name of the party who will have to pay it, the name of the endorser, if any, the name of the place where it is payable, and the amount; and when it is paid it is so indicated in the proper column in the Bill Book.*

Rule 8. [81] BILLS PAYABLE *are entered in the Bill Book as soon as issued, with all the facts regarding them; as, the date of the note or acceptance, its date of maturity, the name of the payee, the name of the place where it is payable, and the amount; and when it is paid it is so indicated in the proper column in the Bill Book.*

[82] The principal difficulty which the student who is familiar with Double Entry will encounter in Single Entry book-keeping, is in confining his journalizing to transactions affecting personal accounts.

[83] A good rule for the student who is familiar with Double Entry, in journalizing by Single Entry, is, first to decide what journal entry would be made for the transaction by the *double entry* method; then if he find in such entry that a person is to be either debited or credited, the same person must be debited or credited in the Single Entry Journal, otherwise no journal entry is to be made.

NOTE.—The following entries do not represent the work of the text, being given merely for the purpose of illustrating the forms of the entries in a Single Entry Journal and Cash Book.

SINGLE ENTRY JOURNAL.

JANUARY 11, 1890.

	Henry Manning,			Cr.			8650	
	Commenced business with the following resources:							
	Cash, as per Cash Book,				2650			
	Store and fixtures, No. 519 State St.,				6000			
	,,							
	Barnes & Co., New York,			Cr.			569	15
	Bo't mdse., invoice No. 1, Jan. 3, 60 ds., 2% 10 ds.,							
	12.							
	Samuel Sloan, Waverly,			Dr.			73	53
	Sold on account, 30 da., 1% 10 da.,							
	5 pcs. Atlantic A. Sheeting,	256,	8^2		21	76		
	3 " Piedmont C. Drills,	125,	9^2		11	88		
	5 " Manchester Gingham,	198^2,	7^2		14	89		
	4 " York Denims,	150,	$16\frac{2}{3}$		25			
	,,							
	Samuel Sloan,			Cr.			23	53
	Rec'd cash to apply on above invoice.							

SINGLE ENTRY CASH BOOK.

			Receipts.		*Payments.*	
1890.						
Jan.	11	Invested by Henry Manning,	2650			
	11	Office Furniture, Books, Stationery, etc.,			160	84
	12	Samuel Sloan, to apply on invoice this date,	23	53		
	13	Freight and drayage on goods from New York,			3	52
	15	Barnes & Co., New York, invoice Jan. 3, 569.15, less 2%, 11.38,			557	77
	16	Mdse., sold James Brown, less 1% per invoice receipted,	37	19		

BUYING PRICE LISTS FOR JANUARY AND FEBRUARY.

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
American Prints	.06^{2}	.06	.06^{1}	.06^{3}	.06^{1}	.06	.06^{2}	.06^{1}	.06^{3}	.06
Atlantic A. Sheeting	.07	.06^{3}	.06^{2}	.07	.06^{2}	.06^{1}	.07	.06^{3}	.07^{1}	.06^{2}
Birmingham Ticking	.07^{2}	.07^{1}	.07	.07^{2}	.07^{1}	.06^{3}	.07^{2}	.07	.07^{2}	.07
Bombay Gingham	.08^{2}	.08^{2}	.08$\frac{1}{3}$	.08^{3}	.08	.07^{2}	.08^{1}	.08	.08^{2}	.08$\frac{1}{3}$
Dakota Kentucky Jeans	.16	.15	.16	.16$\frac{2}{3}$	.16	.15^{2}	.16	.16$\frac{2}{3}$	.16^{2}	.16
Hamilton Stripe	.09^{2}	.09^{1}	.09^{1}	.10	.09^{2}	.09^{1}	.09^{2}	.10^{1}	.09^{3}	.09^{2}
Kellog Opera Flannel	.30	.29	.29^{1}	.31	.30	.29^{3}	.31	.33$\frac{1}{3}$	.32	.31
Kenwood Cottonade	.14	.13	.13^{2}	.15	.14	.13^{3}	.14^{2}	.15	.15	.14
Manchester Gingham	.05^{3}	.06	.05^{3}	.06^{1}	.06	.05^{2}	.05^{3}	.06^{1}	.06	.05^{2}
Merrimack Prints	.06^{1}	.06^{3}	.06	.07	.06^{2}	.06	.06^{1}	.06^{3}	.06^{2}	.06^{1}
Oxford Canton	.11	.11^{2}	.10^{2}	.12	.11^{1}	.10^{3}	.10	.10^{2}	.10^{1}	.10
Passaic Prints	.04^{3}	.05	.04^{2}	.05^{2}	.05	.04^{2}	.04^{1}	.04^{3}	.04^{2}	.04^{1}
Paper Cambric	.05	.05^{2}	.05	.05^{3}	.05^{2}	.05	.05	.05^{2}	.05^{1}	.05^{2}
Pepperell Sateen	.08^{2}	.08$\frac{1}{3}$	.08^{1}	.08$\frac{1}{3}$	.08^{1}	.08	.08^{1}	.08$\frac{1}{3}$	.08^{2}	.08^{1}
Piedmont Cotton Drills	.07	.06^{3}	.06^{2}	.06^{2}	.06^{1}	.06	.06^{3}	.06^{3}	.07^{1}	.07
Pontiac Seersucker	.05^{2}	.05^{3}	.05^{2}	.05^{3}	.05^{2}	.05^{1}	.06	.05^{3}	.06^{1}	.06
Red Cross Silesia	.07^{2}	.07^{2}	.07^{1}	.07^{2}	.07	.06^{3}	.07^{1}	.07	.07^{1}	.07^{2}
Royal Shaker Flannel	.25	.25^{1}	.25	.25^{1}	.25	.24^{2}	.25^{1}	.25	.25^{2}	.25^{1}
Stark Cotton Duck	.10	.10^{2}	.10	.10^{2}	.10^{1}	.10	.10^{2}	.10^{1}	.11	.10^{2}
Stevens Crash	.06	.06^{1}	.05^{3}	.06^{1}	.06	.06	.06^{2}	.06^{1}	.06^{3}	.06^{2}
Tremont Cotton Flannel	.10^{2}	.10^{3}	.10	.10^{1}	.10	.10^{1}	.10^{2}	.10	.10^{2}	.10^{1}
Vermont Cotton Cheviot	.12^{2}	.12^{3}	.12	.12^{2}	.12	.12^{2}	.12^{3}	.12	.12^{2}	.12^{1}
Washington Cambric	.04^{3}	.04^{2}	.04^{1}	.04^{3}	.04	.04^{1}	.04^{2}	.04^{1}	.04^{1}	.04^{2}
Waverly Suiting	.32^{2}	.33$\frac{1}{3}$	.32^{2}	.33$\frac{1}{3}$	.33	.32	.33	.32	.31^{2}	.33$\frac{1}{3}$
York Denims	.12^{2}	.12^{3}	.12^{1}	.12^{2}	.12^{1}	.12	.12^{2}	.12	.12^{1}	.12^{2}

Where the fractions are not expressed in full in the price lists, fourths are understood.

SELLING PRICE LISTS FOR JANUARY AND FEBRUARY.

	1.	2.	3.	4.	5.	6.	7.	8.	9.	10.
American Prints	.08^{1}	.08	.07^{3}	.08^{2}	.08^{1}	.08	.08^{3}	.08^{2}	.08^{3}	.08^{1}
Atlantic A. Sheeting	.08^{2}	.08^{1}	.08	.08^{3}	.08^{2}	.08^{2}	.09	.08^{3}	.09	.08^{2}
Birmingham Ticking	.09^{1}	.09	.08^{3}	.09^{1}	.09	.08^{3}	.09^{2}	.09	.09^{1}	.08^{3}
Bombay Gingham	.10	.09^{3}	.09^{2}	.10	.09^{3}	.09^{2}	.10^{1}	.10^{1}	.10	.09^{2}
Dakota Kentucky Jeans	.19^{2}	.19	.18^{3}	.19^{1}	.20	.19^{2}	.20	.20^{1}	.19^{2}	.19
Hamilton Stripe	.11	.10^{2}	.10^{1}	.10^{1}	.11	.10^{3}	.11	.11^{1}	.10^{2}	.10^{1}
Kellog Opera Flannel	.37^{2}	.37	.37	.37^{1}	.37^{2}	.37^{1}	.37^{2}	.37^{2}	.37	.36^{3}
Kenwood Cottonade	.16$\frac{2}{3}$	.16^{2}	.16^{1}	.16^{2}	.16$\frac{2}{3}$	.16^{1}	.16^{2}	.16$\frac{2}{3}$	.16^{1}	.16
Manchester Gingham	.07^{2}	.07^{1}	.07	.07^{1}	.07^{2}	.07	.07^{1}	.07^{2}	.07^{1}	.07
Merrimack Prints	.08	.07^{3}	.07^{2}	.07^{3}	.07^{3}	.07^{2}	.07^{2}	.08	.07^{3}	.07^{2}
Oxford Canton	.15	.14^{2}	.14^{1}	.14^{2}	.14^{2}	.14^{1}	.14^{2}	.15	.14^{3}	.14^{1}
Passaic Prints	.06^{2}	.06^{1}	.06^{1}	.06^{2}	.06^{3}	.06^{1}	.06^{2}	.06^{3}	.06^{2}	.06^{1}
Paper Cambric	.07	.06^{3}	.06^{2}	.07	.07^{1}	.07	.07	.07^{1}	.07^{1}	.07
Pepperell Sateen	.10	.09^{2}	.09^{3}	.09^{3}	.10	.09^{2}	.09^{3}	.10	.09^{3}	.09^{2}
Piedmont Cotton Drills	.09^{2}	.09	.09^{1}	.09	.09^{2}	.09	.09^{1}	.09^{2}	.09^{1}	.09
Pontiac Seersucker	.08	.08	.08^{1}	08	.08^{3}	.08$\frac{1}{3}$	.08^{2}	.08$\frac{1}{3}$	.08^{1}	08^{2}
Red Cross Silesia	.09	.08^{3}	.09^{2}	.09^{1}	.09^{2}	.09^{1}	.09^{2}	.09^{1}	.08^{3}	.09
Royal Shaker Flannel	.30	.29	.31	.30	.31	.29	.30	.29	.28	.29
Stark Cotton Duck	.12^{2}	.12	.12^{2}	.12	.12^{2}	.11	.12	.11	.10^{2}	.11
Stevens Crash	.08^{1}	.08	.08^{1}	.08	.08^{1}	.07^{3}	.08	.07^{3}	.07^{2}	.08
Tremont Cotton Flannel	.15	.14^{2}	.14^{3}	.14^{2}	.14^{1}	.14	.14^{2}	.14	.14	.15
Vermont Cotton Cheviot	.16$\frac{2}{3}$	.16	.16^{1}	.16	.16	.15^{2}	.15^{3}	.15	.15	.16$\frac{2}{3}$
Washington Cambric	.06^{1}	.06	.06	.05^{3}	.06	.05^{2}	.05^{3}	.05	.05^{1}	.06
Waverly Suiting	.40	.39	.38	.37	.37^{2}	.37	.37^{2}	.36^{2}	.37	.37^{2}
York Denims	.16$\frac{2}{3}$	.16	.15^{2}	.15	.15^{2}	.15	.15^{2}	.15^{1}	.15	.15^{2}

MEMORANDA OF TRANSACTIONS FOR JANUARY.

Books to be Used: Journal, Ledger, Cash Book, Bill Book and Check Book.

In the absence of a Check Book a sheet of cap paper may be used for a Check Book stub.

11. Commence business with the following resources: Cash 3000.00; Store and Fixtures, No. 364 Market St., valued at 7000.00. (*Enter in Journal and Cash Book. See forms of these books on page 91. Also see Rule 1 a, page 90, and Rule 5, page 91.*)

Buy of the Office Supply Co., Office Furniture, Blank Books, Stationery, etc., and pay for same in cash, 154.00. Also pay for postage in cash, 1.25. (*Rule 6, page 91.*)

No entry is required in the Journal for the above transactions for the reason that no personal account is affected by them. (*See 16, page 89.*)

Open an account with Merchants Bank and deposit cash 2700.00. (*Enter in Check Book only.*)

In this set the money in bank will be treated as on hand and the bank account will be kept on the stub of the Check Book, as in preceding sets. A bank account could be kept, however, in the Ledger, treating it the same as a personal account. This would necessitate an entry in the Cash Book whenever a deposit was made, as well as in the Check Book. In the absence of a Check Book the bank account may be kept on a sheet of cap paper ruled to represent a Check Book stub.

Receive by freight from H. B. Corwin & Co., New York, invoice dated Jan. 5; terms, on account, 60 da., 1% 30 da., 2% 10 da.: 50 pcs., 2950 yds., American Prints; 30 pcs., 1225 yds., Manchester Gingham; 20 pcs., 875 yds., Hamilton Stripe; 10 pcs., 415 yds., Piedmont C. Drills; 10 pcs., 352 yds., Royal Shaker Flannel; 15 pcs., 375 yds., Stevens Crash; 20 pcs., 750 yds., Vermont C. Cheviot; 10 pcs., 315 yds., Waverly Suiting; 20 pcs., 875 yds., Washington Cambric. (*Rule 4 a, page 90; see also form of Journal, page 91.*)

It is unnecessary to enter the items in the Journal, the invoice itself being placed on file for reference. In business when an invoice is received, it is examined by the buyer, and if found to correspond in price and quantity to the order, it is "OK'd" by him, and then filed until the goods arrive, when it is given to the receiving clerk, who checks each item on the invoice as it is found to tally with the goods. The book-keeper then examines the extensions and footing, and if everything is correct makes an entry for the transaction under the current date, or at the end of the month, according to the custom of the house. In either case the *date* of the *invoice* is entered in the explanation column in the Ledger, as that is really the date of the transaction. Invoices are also numbered in the order in which they are received, which assists greatly in referring to them. *In each computation if the result is five mills or over, add another cent, if less than five reject the mills.*

12. Receive by freight from Jordon & Co., Boston, invoice dated Jan. 4; terms, on account, 30 da., 1% 10 da.: 25 pcs., 1372^2 yds., Atlantic A. Sheeting; 10 pcs., 576^1 yds., Birmingham Ticking; 35 pcs., 1844 yds., Merrimack Prints; 15 pcs., 461 yds., Pontiac Seersucker; 20 pcs., 912 yds., Pepperell Satteen; 8 pcs., 272 yds., Tremont C. Flannel; 12 pcs., 483 yds., York Denims.

The meaning of the above "terms" is that the purchaser has 30 days from the date of the invoice in which to pay it, and if he pays it within 10 days from that date he is entitled to a discount of 1% on the face of the invoice.

Pay freight charges on goods received from New York and Boston by check, favor Erie Despatch Co., 14.48; also pay drayage on same in cash, 1.70. (*Rule 6, page 91. Enter also in Check Book.*)

Transportation charges on goods are paid by the purchaser, in the absence of an agreement to the contrary. Freight companies, unlike Express companies, do not truck goods, hence the above charge for drayage. This transaction reduces the resources and hence a loss is sustained. (*See 29, page 89.*)

13. Sell Brooks & Son, Akron, on account, 10 da.: 10 pcs., 583 yds., American Prints; 5 pcs., 212^2 yds., Hamilton Stripe; 5 pcs., 198^2 yds., Manchester Gingham; 3 pcs., 101 yds., Royal S. Flannel. (*Rule 3 a; see also form of Journal, page 91.*)

Make the extensions mentally as much as possible and review your work before taking up the next transaction.

Since the amount for which Brooks & Son get into our debt, which debt is a resource, is greater than the cost of the Mdse. parted with, which Mdse. was a resource, it will be apparent that the resources have been increased by the transaction, and hence a gain has been realized. (*See 27, page 89.*)

Sell James Saunders, Toledo, on account, 30 da., 1% 5 da.: 5 pcs., 256 yds., Atlantic A. Sheeting, 3 pcs., 125 yds., Piedmont C. Drills; 5 pcs., 204 yds., Pepperell Sateen; 4 pcs., 150 yds., York Denims.

Pay drayage from store to freight house on goods shipped to Akron and Toledo, in cash, 50¢. (*Rule 6.*)

MEMORANDA OF TRANSACTIONS FOR JANUARY (Continued).

14. Buy of Central Mfg. Co., City, on account, 30 da., 2% 10 da.: 25 pcs., 1248 yds., Paper Cambric; 10 pcs., 615 yds., Red Cross Silesia.

See explanation under Jan. 11. By this transaction both resources and liabilities have been increased a like amount; hence, the immediate result is neither a loss nor a gain. (*See 31, page 89.*)

Sell Hamilton & Mason, Newville; terms, cash in 10 da. 1%, or 2 months' note delivered in 10 da.: 4 pcs., 232 yds., Birmingham Ticking; 5 pcs., 275 yds., Merrimack Prints; 2 pcs., 118 yds., Red Cross Silesia; 4 pcs., 149 yds., Vermont C. Cheviot; 1 pc., 32^{2} yds., Waverly Suiting.

Give Stevens & Co. your check for 7.50 in payment of their bill for packing boxes.

As no charge is made to customers for boxes or cases in which goods are shipped, the boxes cannot be treated as a resource; and since the resources have been reduced by the drawing of the check, this transaction results in a loss to the business. (*See 29, page 89.*)

15. Draw cash from the business for private use, 20.00. (*Rule 2 b.*)

Post this item to the proprietor's investment account. Sometimes a private account is opened to receive such entries as this, but it is deemed unnecessary in this set. The effect is the same in both cases.

Receive by freight from Ames & Co., Philadelphia, invoice dated Jan. 10; terms, cash in 10 da. 1%, or 30-da. note delivered in 10 da.: 100 pcs., 4238 yds., Bombay Gingham; 50 pcs., 3150 yds., Kenwood Cottonade.

16. Sell Kenfield & Co., Plainfield, on account, 10 da.: 10 pcs., 450 yds., Washington Cambric; 5 pcs., 285 yds., American Prints; 1 pc., 58 yds., Birmingham Ticking.

Give Ames & Co., Philadelphia, your note, drawn at 30 da. from date, payable at Merchants Bank, for the amount of the invoice received from them on the 15th inst. (*Rules 3 b and 8.*)

18. Receive from James Saunders, Toledo, a New York draft for the amount of the invoice sold him on the 13th inst., less 1%. (*Rules 4 b and 5. See 29, page 89.*)

Enter only the actual amount of cash received in the Cash Book. This transaction results in a loss to the business, as the resource received, cash, is less than the resource parted with, the claim against Saunders, which decreases the net resources.

Deposit in bank, currency, 100.00, and the New York draft received from James Saunders.

Sell Martin & Jones, City, for cash, less 1%: 3 pcs., 132 yds., Bombay Gingham; 2 pcs., 79^{2} yds., Manchester Gingham. Receive cash for the net amount of the invoice. (*Rule 5; see form of Cash Book, page 91. No Journal entry required; see 16, page 89.*)

The resources are increased by this transaction by an amount equal to the difference between the cost of the Mdse. and the cash received; hence, a gain has been realized. (*See 27, page 89.*)

19. Receive by freight from Foster & Co., New York, invoice dated Jan. 12; on account 30 da., 2% 10 da.: 25 pcs., 812 yds., Kellog Flannel; 10 pcs., 375 yds., Dakota Jeans; 5 pcs., 162 yds., Oxford Canton.

20. Receive from Hamilton & Mason, Newville, their note, dated Jan. 19, at 2 months, payable to your order at First National Bank, Newville, for the amount of the invoice sold them on the 14th inst. (*Rules 4 b and 7.*)

Rule the Bill Book as instructed in note under Jan. 16.

Give Hilbert Truck Co. your check for 5.02, in payment of freight and drayage charges on the goods received from Philadelphia on the 15th inst., and from New York on the 19th inst.

The rules of most if not all transportation companies require that the charges for carrying goods be paid before the goods are delivered. This requirement may be relaxed, however, at the discretion of the company's agent, but he becomes personally responsible for any loss to the company arising from such causes.

When the goods arrive it is customary for the transportation company, except it be an Express Co., to notify the consignee of that fact, and also of the amount of the charges. In places where there are public draymen, this notice by the transportation company becomes unnecessary, as these draymen, by previous agreement, look after and attend to all incoming freight consigned to their patrons. These draymen often pay the freight charges on the goods and collect the same, together with their own charges for drayage, from the consignee.

21. Sell James Saunders, Toledo, on account, 30 da., 1% 10 days: 5 pcs., 212 yds., Hamilton Stripe; 3 pcs., 104 yds., Dakota Jeans; 5 pcs., 151 yds., Kellog Flannel.

MEMORANDA OF TRANSACTIONS FOR JANUARY (Continued).

22. Pay Central Mfg. Co., City, by check, for invoice of the 14th inst., less 2%. (*Debit C. M. Co. for the full amount of the invoice; enter the amount of the check only in Cash Book and Check Book.*)

This transaction results in a gain to the business as the resources are diminished less than the liabilities, which is equivalent to increasing the net resources. (*See 27, page 89.*)

Receive by freight from H. B. Corwin & Co., New York, invoice dated Jan. 15; terms, on account 30 da., 1% 10 da.: 100 pcs., 4486 yds., Passaic Prints; 40 pcs., 2340 yds., Stark C. Duck.

23. Sell Austin & Bro., City, on account, 10 da.: 5 pcs., 202 yds., Bombay Gingham; 10 pcs., 586 yds., American Prints; 4 pcs., 208 yds., Atlantic A. Sheeting; 1 pc., 42[2] yds., Hamilton Stripe.

25. Sell Martin & Jones, City, terms, ½ cash, ½ on account, 10 da.: 10 pcs., 592 yds., American Prints; 5 pcs., 251 yds., Atlantic A. Sheeting; 2 pcs., 87 yds., Hamilton Stripe; 1 pc., 41 yds., Piedmont C. Drills. Receive cash for one-half the amount of the invoice. (*Rules 3 a, 4 b, and 5.*)

In transactions like the above it is customary, in Single Entry, to make an entry in the Journal debiting the person with the full amount of the invoice and then to make a second entry giving him credit for the amount paid. Remember to add another cent where the computation or the division results in 5 mills or over.

26. Receive from Ames & Co., Philadelphia, invoice dated Jan. 20; terms, ½ note at 30 da. from date of sale, ½ on account, 60 da., 1% 30 da., 2% 10 da.: 50 pcs., 2012 yds., Piedmont C. Drills; 45 pcs., 1315 yds., Oxford Canton. Make your note at 30 da. from Jan. 20, for one-half the amount of the above invoice, and remit it to Ames & Co., as per above terms. (*See note above.*)

Receive from Brooks & Son, Akron, a New York draft for one-half the amount of the invoice sold them on the 13th inst., and their note, dated Jan. 23, at 30 da., with interest at 6%, for the balance.

Deposit in Bank the New York draft received from Brooks & Son to-day, and all the currency on hand.

To determine the amount of currency on hand, add the face of the above draft to the bank balance as shown by the Check Book, and subtract their sum from the cash balance as shown by the Cash Book.

27. James Saunders, Toledo, returns the 3 pcs. Dakota Jeans included in the invoice of Jan. 21, as per agreement, the quality not being satisfactory.

Treat this transaction as if you had bought the goods back from Saunders, at the regular selling price.

Sell Hamilton & Mason, Newville, on account, 30 da., 2% 10 da.: 10 pcs., 598 yds., Kenwood Cottonade; 10 pcs., 582 yds., Merrimack Prints; 5 pcs., 162 yds., Oxford Canton; 5 pcs., 192 yds., Dakota Jeans.

29. Sell Jenkins & Curtis, Broomfield, ½ in cash, ½ on account 30 da., or 60-da. note in 10 da.: 25 pcs., 1060 yds., Bombay Gingham; 15 pcs., 600 yds., Manchester Gingham; 10 pcs., 450 yds., Passaic Prints; 2 pcs., 65 yds., Pontiac Seersucker. Receive cash for one-half the amount of the invoice.

30. Draw on Kenfield & Co., Plainfield, at sight, for one-half the amount of the invoice sold them on the 16th inst., and deposit the draft in the bank, less 15¢, for collection; also draw on Kenfield & Co. at 10 da. sight for the balance of the invoice and send the draft to them for acceptance.

Credit K. & Co. for the sight draft only. Make no entry for the second draft until it is returned accepted.

Give Hilbert Truck Co. your check for 13.80 for sundry freight and drayage bills from Jan. 20th to date.

Pay sundry expense bills for the month in cash, 14.75: also book-keeper, 25.00, and clerks, 35.00, in full for services to date.

Balance, rule and foot the Cash Book, and post the entries from the Journal. Give each account in the Ledger one-fourth of a page space. Write such an explanation of each entry in the Ledger as will clearly indicate its character. For instance, in posting the entry, Jordon & Co., Jan. 12, in addition to the amount and date, write in the explanation column, "Inv. Jan. 4, No. 2."

[84] After completing the posting you will next prepare to make a statement of resources and liabilities, for the purpose of ascertaining the result of conducting the business. Foot the accounts in the Ledger and find the amount owing to you and by you on such accounts.

[85] Since the Single Entry Ledger contains only personal accounts, or only a part of the resources and liabilities, it will be apparent that a complete statement of the business cannot be made from that book. Hence, it is necessary to obtain the other resources and liabilities from other sources.

[86] Since a complete record of the receipts and payments of cash has been kept in the Cash Book, the amount of cash belonging to the business, which is a resource, may be ascertained from that book; [87] and for the same reason the amount of unpaid Bills Receivable belonging to the business, a resource, and the amount of unpaid Bills Payable, a liability, can be obtained from the Bill Book. [88] But since no complete record has been kept of the Mdse. bought and sold, it follows that the only way to determine the amount on hand, which is a resource, is by taking an inventory, or an account of stock, as it is often called.

[89] Sometimes a Stock Book is kept for the purpose of recording the quantity of Mdse. bought and sold, and of course in such cases, the amount of Mdse. on hand at any time could be found by that book. But even when a Stock Book is kept, an inventory is generally taken to prove that book, the same as cash is counted to prove the Cash Book.

[90] In most business houses the inventory is taken by the clerks and others in the different departments, who make their records in coarse blank books or on loose sheets of paper, and these records are then copied into a book called an Inventory Book, from which source the Book-keeper ascertains the value of the Mdse. on hand. The following is a statement of the Mdse. on hand, which you will enter in your Inventory Book, or in your Journal, in the absence of an Inventory Book.

[91] Mdse. is usually inventoried at the price at which it could be purchased at the time of taking stock. As there has been no material change in the market price of these goods since they were purchased you will inventory them at cost.

INVENTORY, JAN. 30, 189–.

Schedule A.—American Prints, 15 pcs., 904 yds.; Atlantic A. Sheeting, 11 pcs., 657^{2} yds.; Birmingham Ticking, 5 pcs., 286^{1} yds.; Bombay Gingham, 67 pcs., 2844 yds.; Dakota Jeans, 5 pcs., 183 yds.; Hamilton Stripe, 7 pcs., 321 yds.; Kellog Opera Flannel, 20 pcs., 661 yds.; Kenwood Cottonade, 40 pcs., 2552 yds.; Manchester Gingham, 8 pcs., 347 yds.; Merrimack Prints, 20 pcs., 987 yds.; Oxford Canton, 45 pcs., 1315 yds.; Piedmont C. Drills, 56 pcs., 2261 yds.; Pontiac Seersucker, 13 pcs., 396 yds.; Passaic Prints, 90 pcs., 4036 yds.; Royal S. Flannel, 7 pcs., 251 yds.; Pepperell Sateen. 15 pcs., 708 yds.; Paper Cambric, 25 pcs., 1248 yds.; Red Cross Silesia, 8 pcs., 497 yds.; Stark C. Duck, 40 pcs., 2340 yds.; Stevens Crash, 15 pcs., 375 yds.; Vermont C. Cheviot, 16 pcs., 601 yds.; Tremont C. Flannel, 8 pcs., 272 yds.; Waverly Suiting, 9 pcs., 282^{2} yds.; York Denims, 8 pcs., 333 yds.; Washington Cambric, 10 pcs., 425 yds.

There is still some property belonging to the business which must be inventoried in order that the statement may exhibit all of the resources. Following is a schedule of such property, which you will copy in your Inventory Book immediately following the Mdse. inventory:

Schedule B.—Store and Fixtures, valued at cost; Office Furniture, etc., valued at 150.00.

[92] Sometimes other things than property are inventoried; as, interest on written promises and other past due debts; discount on written promises and other debts not yet due; unpaid rent, taxes, salaries, etc.

[93] Again, an inventory may include every species of resource or liability pertaining to the business, in which case it partakes of the nature of a statement of the condition of the business.

You will now make a Statement of Resources and Liabilities similar to the one given on the next page, taking the amounts from your own books, as those given do not represent the work of the text. Exhibit the personal accounts in detail in your statement.

STATEMENT, JAN. 30, 189–.

RESOURCES.				
Personal Accounts Receivable, as per Ledger,	1391	84		
Bills Receivable, " Bill Book,	498	71		
Cash, " Cash Book,	2143	78		
Merchandise, " Inventory Book,	1875	93		
Store and Fixtures, " " "	5000	00		
Office Furniture, etc. " " " "	100	00	11010	26
LIABILITIES.				
Personal Accounts Payable, as per Ledger,	1624	57		
Bills Payable, " Bill Book,	789	42	2413	99
Present Worth,			8596	27
Invested,	8650	00		
Withdrawals,	150	00		
Net Credit,			8500	00
Net Gain,			96	27

The present worth is found, as shown above, by substracting the sum of the liabilities from the sum of the resources; and the net gain is found by subtracting the net credit from the present worth.

[94] When the sum of the resources is less than the sum of liabilities, the difference will show the proprietor's present insolvency; and [95] the net loss may then be found by adding the present insolvency to the net credit. [96] If the proprietor began business insolvent, a net gain has been realized if the present insolvency is less than the net insolvency; and [97] a net loss has been sustained if the present insolvency is greater than the net insolvency.

[98] If the present worth is less than the net credit, a net loss has been sustained, [99] the amount of which may be determined by subtracting the present worth from the net credit.

The net gain as shown by your statement should agree with that given below, under the price list number corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
	74.91	61.16	56.55	27.65	84.52	84.33	83.47	72.82	46.04	62.49

[100] You will now cause the proprietor's account to exhibit his present worth, by crediting it with the net gain as shown by your statement, and balancing and ruling up the account, and bringing the amount of the present worth down below the ruling on the proper side of the account.

QUESTIONS.

Page 89.—[1] Define Single Entry? [5] What is the distinguishing feature of Single Entry? [6] How are personal accounts journalized in Single Entry? [7] How is the posting done in Single Entry? [17] From what does Single Entry take its name? [19] Are the footings of the two sides of a Single Entry Ledger generally equal? [19] Can a trial balance of a Single Entry Ledger be taken? [20] Why cannot an itemized statement of the gains and losses of a business be obtained from a set of Single Entry books? [21] Can the net gain or net net loss be determined when the books are kept by Single Entry? [27, 28] What transactions produce gains to the business? [29, 30] What ones cause losses? [31–33] What ones cause neither gains nor losses? [37] What records are absolutely required in Single Entry? [39] Why are other records made? [40–44] What are they? Page 90.—[45] What books are generally used in Single Entry? [49] How do the forms of these books compare with those in Double Entry? [50] Describe the Day book? [51] What must be the character of those records to possess value as evidence? [57] How should a mistake made in an original entry be corrected? [66] Are erasures permissible in books of original entry? [61] From what book is the posting done in the preceding month? [62] Describe the Cash Book used in the preceding month. [68] What is the design of this set? Page 97.— How is the present worth found in Single Entry? How the net gain? How the net loss?

You are now prepared to continue the work of the set as outlined in the memoranda for the month of February.

FEBRUARY.

The work of this month is a continuation of that of January. Several labor-saving features are here introduced, and two additional books are employed.

[101] **The Books used** are Journal, Ledger, Cash Book, Bill Book, Check Book, Order Book and Accounts Payable Book.

[102] The **Accounts Payable Book** contains an itemized record of all time purchases. See form of this book on page 100.

[103] The **Order Book** contains a record of all sales of merchandise on account or for cash. See form of this book below.

[104] The **Cash Book** contains a record of all receipts and payments of cash, as in the preceding month.

[105] The **Journal** contains a record in detail of such original entries as do not properly belong in the other books, and also a summary of such original entries as do appear in the other books. [106] The debit and credit items are separated in this book in this month. [107] The debit items are entered in the left-hand money column, and [108] the credit items in the right-hand money column. See form of this book on page 99.

[109] The **Check Book, Bill Book,** and **Ledger** are used for the same purpose and are kept in the same manner as in the month of January.

Illustrations of the forms of the additional books introduced in this month are given below and on the following pages. [110] The records therein do not represent the work of the text, and are given merely to assist the student in arranging the entries in his own books.

ORDER BOOK.

Brockport, February 1, 189–.

3 //	Jas. Coady,	Tonawanda.				
	30 da., 2% 10 da.,	Express.				
	5 doz. hlf. Hose,	5.00	25			
	3 " " "	4.50	13	50		
	2 " " "	8.00	16			
					54	50
	Case # 1751,	B/L 2/5				
	2.					
√	Townsend & Yale,	Troy.				
	Cash, 2%,	Mer. Des.				
	50 yds. Lons. Sheeting, 2/4,	16¢.	8			
	100 " Fruit of the Loom, 5/4,	7½¢.	7	50		
	PAID.		15	50		
		Less 2%,		31		
	Case # 1752.	B/L 2/5	15	19		
	3.					
5 //	M. E. Thomas,	Syracuse.				
	30 da.	Mer. Des.				
	25 yds. Ladies' Dress Goods,	85¢,	21	25		
	100 doz. Pearl Buttons,	30¢,	30			
					51	25
	Case # 1753.	B/L 3/5				
		Total,			105	75

[111] The marks // are made when the goods are shipped. [112] " B/L 2/5 " indicates that the Bill of Lading is dated Feb. 5. [113] This is the charging date. [114] The date over each order is the date it was received. [115] The case number should appear on Order Book and Bill of Lading. [116] The figures under the shipping marks are the posting checks.

JOURNAL.

BROCKPORT, FEBRUARY 1, 189–.

14	Brown, Pierce & Co., Dr.	500	37		
	To our 30 da. note to balance account.,				
	2				
32	Scott & Tilden, Cr.			300	00
	By our 10 da. draft, on account.				
	3.				
73	James G. Elwood, Cr.			75	00
	By 1 mo. services, on account.				
	5				
	SUMMARY.				
	Accounts Payable Book. Bot. on acct. per. fol. 16. Cr.				
817	Farmer Bros., Inv. # 1. Jan. 28.			510	60
212	Morgan, Root & Co., " # 2. " 29.			900	30
715	Newton & Dowling, " # 3. " 31.			530	70
	"				
	Order Book. Sold on acct. per. fol. 38. Dr.				
88	James Coady, Inv. Feb. 1. 30 da.	54	50		
91	M. E. Thomas, " " 3. 30 da.	51	25		
314	Emerson Bros., " " 4. 30 da.	175	00		
95	Brown & Todd, " " 4. 30 da.	89	52		
	"				
	Cash Collections, per. C. B. fol. 18. Cr.				
314	Emerson Bros., Feb. 4. On acct.,			75	00
95	Brown & Todd, " 4. " "			50	00
	Cash Payments, per C. B. fol. 18. Dr.				
817	Farmer Bros., Feb. 3. For Inv. Jan. 28, less 1%,	510	60		
715	Newton & Dowling, Feb. 4. On acct.,	300	00		
		1681	24	2441	60

ABSTRACT OF LEDGER.

Feb. 5, 189–.

14	Brown, Pierce & Co.,	500	37												
32	Scott & Tilden,			300											
73	James G. Elwood,			75											
817	Farmer Bros.,	510	60	510											
212	Morgan, Root & Co.,	300	00	900	60										
715	Newton & Dowling,				30										
88	James Coady,	54	50	530	70										
91	M. E. Thomas,	51	25												
314	Emerson Bros.,	175	00	75											
95	Brown & Todd,	89	52	50											
	(Compare with footings of Journal.)	1681	24	2441	60										

ACCOUNTS PAYABLE BOOK.

NO. INV.	DATE.		NAME AND PURCHASES. ADDRESS.	TERMS.	AMT. INV.		J.	WHEN DUE. 1.	5.	10.	15.	20.	25.	WHEN PAID. DATE.		NO. CK.	MEMO.	AMT. PD.	
1	189–. Dec.	28	English Bros., New York.	60 da. net.	6825	13	16						Feb. 26.	189–. Feb.	25	# 39	In full.	6825	13
2	Jan.	3	Amos & Burns, Boston.	30 da. 2% 10 da.	1583	28		Feb. 2.						Jan.	10	# 56	In full less 2%.	1551	61
3	"	14	Perrin & Co., New York.	60 da., or 30 da. note. 10 da. 1%.	2786	52					Mar. 15.			Jan.	25	# 15	Note 30 da. per. B. B. 1%.	2758	65
4	Feb.	5	Gould & Bro., Boston.	30 da.	1281	52			Mar. 7.										

[117] The Accounts Payable Book is designed to contain a record of all invoices of merchandise bought on time, the maturity of the same and when and how they were settled. [118] It will be noticed that this book is provided with numerous columns, the printed headings of which explain their use. [119] When an invoice of goods purchased on time is received and found to be correct, a record is made of it in this book, as illustrated above. [120] The invoices are numbered in the order in which they are recorded, and [121] the date entered here is the date of the invoice. [122] The maturity of the invoice is noted in one of the six "when due" columns. [123] These columns represent the 1st, 5th, 10th, 15th, 20th, and 25th days of the month, respectively, and [124] the maturity of an invoice is recorded in the column representing the day nearest and preceding the due date of the invoice, as shown above. [125] The student will bear in mind that days of grace are not allowed on invoices. [126] The column headed "J" is for the page of the Journal upon which the entry for the transaction appears. [127] This book may be used as a principal book, as will be shown later.

MEMORANDA OF TRANSACTIONS FOR FEBRUARY.

1. Sell R. D. Brown, Dansville, on account, 30 da.: 4 pcs., 136² yds., Tremont C. Flannel; 10 pcs., 542² yds., Stark C. Duck; 5 pcs., 125 yds., Stevens Crash; 5 pcs., 254 yds., Paper Cambric. (*Enter in Order Book only. See form of O. B. on page* 98.)

In this month all goods will be shipped by Merchants Despatch, unless otherwise stated, on the day the order is received, and invoices and bills of lading will be mailed the same day. The cases will be numbered consecutively, beginning with No. 9.

Gives Ames & Co., Philadelphia, your check for the amount of the balance of their invoice of Jan. 20, less 1%. (*Enter in Cash Book and Check Book. No entry in the Journal until the close of the day's business.*)

The entry in the Cash Book for the above transaction may be made in either of the following ways: (1) Credit cash in the Cash Book for the amount of the check only, and write such an explanation of the entry as will prevent you from failing to charge Ames & Co. in the Journal at the close of the day, with the face of the debt; (2) or, credit cash in the Cash Book for the full amount of the debt and debit cash with the discount. The latter is the usual, and for some reasons, the better way, and the one which you are recommended to use in this month.

Receive from Austin & Bro., City, their check in full for the invoice sold them Jan. 23. (*Enter in Cash Book only.*)

Receive by freight from Jordan & Co., Boston, invoice dated Jan. 26, on account 60 da., 2% 10 da., or 30-da. note in 10 da., 1%: 100 pcs., 4985 yds., Atlantic A. Sheeting; 50 pcs., 2560 yds., Birmingham Ticking; 20 pcs., 1150 yds., Merrimack Prints. (*Enter in Accounts Payable Book only.*)

Before recording the above, enter in the Accounts Payable Book the invoices purchased on account during the preceding month, and note in the "when paid" columns, the payments which have been made on such bills. Also rule two red lines immediately under the last entry to separate the work of February from that of January. (See form of Accounts Payable Book on page 100.)

In the absence of an Accounts Payable Book a sheet of foolscap paper, ruled in proper form, may be used. Number the invoices in regular order beginning with No. 1.

Sell Brooks & Son, Akron, on account 30 da., 1% 10 da.: 5 pcs. 220 yds., Washington Cambric; 2 pcs., 76 yds., York Denims; 4 pcs., 128 yds., Waverly Suiting; 6 pcs., 212 yds., Vermont C. Cheviot; 5 pcs., 128 yds., Stevens Crash. (*O. B.*)

Remit Jordan & Co., Boston, a New York draft which you will purchase at Merchants Bank by check, for the amount of the invoice of Jan. 4. (*C. B., Ck. B. & A. P. B.*)

Record the payment in the "When Paid" columns of the Account Payable Book. Bank makes no charge to you for exchange.

Receive from James Saunders, Toledo, his note at 20 da. from Jan. 30, with interest at 6%, for the balance due on the invoice sold him Jan. 21, less 1%. (*Enter in Journal and Bill Book.*)

Since the Bill Book is used in this set as a memorandum book only, it becomes necessary to make an entry in the Journal for this transaction at this time.

Deposit the check received from Austin & Bro., and all the currency on hand, excepting 10.00. (*Ck. B. See note under Jan. 26, page 95.*)

Receive by freight from H. B. Corwin & Co., New York, invoice dated Jan. 26; on account, 30 da., 1% 10 da.: 15 pcs., 802 yds., American Prints; 10 pcs., 440 yds., Hamilton Stripe; 5 pcs., 201 yds., Manchester Gingham. (*A. P. B.*)

Receive from Martin & Jones, City, cash for the balance due on the invoice sold them Jan. 25.

A record of the day's business has now been made in the books of original entry. All purchases have been recorded in the Accounts Payable Book, all sales in the Order Book, all cash receipts and payments on account in the Cash Book, and a record of such transactions as did not properly belong in the above books has been made in the Journal.

You will now make a summary of the debits and credits in the Journal from the above mentioned books of original entry, preparatory to posting the day's business. See form of Journal, page 99.

From ACCOUNTS PAYABLE BOOK. Sundry accounts Cr.: Jordan & Co., Boston, invoice No. 9, Jan. 26, $——; H. B. Corwin & Co., New York, invoice No. 10, Jan. 26, $——.

MEMORANDA OF TRANSACTIONS FOR FEBRUARY (Continued).

From ORDER BOOK. Sundry accounts Dr.: R. D. Brown, Dansville, N. Y., on account, 30 da., $——; Brooks & Son, Akron, on account, 30 da., 1% 10 da., $——.

From CASH BOOK. Sundry accounts Cr.: Austin & Bro., City, for invoice, Jan. 23, $——; Martin & Jones, City, balance of invoice, Jan. 25, $——.

Sundry accounts Dr.: Ames & Co., Philadelphia, Check No. — for balance of invoice Jan. 20, less 1%, $—— ; Jordan & Co., Boston, New York draft for invoice Jan. 4, $——.

Balance and rule the Cash Book.

You will next post the entries in the Journal, as heretofore; next foot the debit and credit columns of your Journal, and take off an Abstract of the Ledger.

[128] Taking off an Abstract of the Ledger consists in collecting the debit and credit postings for the day, week, or month, from the Ledger, and arranging them in form similar to a trial balance, [129] for the purpose of comparing the footings of such postings with the footings of the debit and credit columns of the Journal for the same period of time. [130] If the footings of the abstract agree with the footings of the Journal, it is a proof that all the entries in the Journal have been posted, and to the proper sides of the Ledger. [131] It is not, however, a proof that the entries have been posted to the right accounts. [132] This can be determined only by reviewing the posting, which every careful book-keeper does in some way before considering his work complete. [133] But an abstract is to a Single Entry Ledger what a Trial Balance is to a Double Entry Ledger, and is accepted in the same way as a proof of the correctness of the work.

In business the entries are summarized daily or weekly, according to the nature and magnitude of the business, and an Abstract of the Ledger is usually taken off once a month.

In the following work the student will summarize and post only when instructed to do so. Use the continued form of abstract as illustrated on page 99.

2. Kenfield & Co., Plainfield, return the draft sent them Jan. 30, accepted. The acceptance is dated Feb. 1, payable at Plainfield National Bank. (*J. & B. B.*)

   Sell Martin & Jones, City, ½ in cash, ½ on account 30 da., or 30 da. note in 10 da., 1%; deliver goods: 10 pcs., 450 yds., Washington Cambric; 10 pcs., 540 yds., Stark C. Duck; 3 pcs., 100 yds., Pontiac Seersucker; 5 pcs., 150 yds., Kellog Flannel. As there are but 5 pcs. of Washington Cambric on hand, you will purchase of one of the other dry goods dealers in the city, enough of this article to enable you to fill the order, viz.: 5 pcs., 245 yds., for cash, less 2% off from your regular selling price. Receive cash for one-half the amount of the invoice. (*O. B. & C. B.*)

   The entry in the Order Book will charge M. & J. with the full amount of the purchase, and the entry in the Cash Book will credit them with the payment, the difference between which will show the balance due. Remember to make an entry in the C. B. for the goods bought to fill the order.

   Draw cash from the business for private use by check, 50.00.

3. Remit H. B. Corwin & Co., New York, your check for the amount of their invoice of Jan. 5, less 1% discount. (*C. B. & A. P. B.*)

   Sell Kenfield & Co., Plainfield, terms, 30-da. draft: 10 pcs., 505 yds., Atlantic A. Sheeting; 5 pcs., 302 yds., Birmingham Ticking; 5 pcs., 204 yds., Bombay Gingham; 1 pc., 45 yds., Hamilton Stripe. Draw on Kenfield & Co., at 30 da. from date for the amount of the above invoice and send it to them for acceptance. (*Make no entry for the draft until it is returned accepted.*)

4. Give Stevens & Co., your check for 15.00 in payment for 2 doz. assorted packing boxes.

   Sell Harper & Field, Rockland, on account 30 da., 1% 10 da.: 2 pcs., 75 yds., Dakota Jeans; 10 pcs., 580 yds., Bombay Gingham; 10 pcs., 502 yds., Atlantic A. Sheeting; 5 pcs., 295 yds., Kenwood Cottonade; 5 pcs., 165 yds., Oxford Canton.

   Remit Jordan & Co., Boston, a New York draft, which you will purchase at bank by check, for the amount of their invoice of Jan. 26, less 2%.

5. Receive from Martin & Jones, City, their note at 30 da. from date, for the balance of the amount of the invoice sold them on the 2nd inst., less 1%. (*J. & B. B.*)

MEMORANDA OF TRANSACTIONS FOR FEBRUARY (Continued).

Receive by freight from Foster & Co., New York, invoice dated Feb. 1, 30 da., 2% 10 da.: 50 pcs., 1880 yds., Dakota Jeans.

6. Sell James Saunders, Toledo, on account, 30 da., 1% 10 da.: 10 pcs., 586 yds., American Prints; 10 pcs., 501 yds., Atlantic A. Sheeting; 5 pcs., 305 yds., Birmingham Ticking.

Pay Doyle Coal Co.'s bill for coal for store and office use, 26.50, by check.

Draw cash from the bank by check for office expenses, 20.00. (*Enter in Check Book only.*)

Pay sundry expense bills for the week in cash 3.92; also pay book-keeper, 15.00, and clerks, 20.00 in full for services to date.

You will now make a summary in your Journal as instructed under Feb. 1, and post the entries.

You need not foot the Journal at this time, nor take off an Abstract of the Ledger.

8. Kenfield & Co., Plainfield, return the draft sent them on the 3rd inst., accepted, payable at Plainfield National Bank. (*Enter the acceptance in the B. B., and credit K. & Co. in the J.*)

Sell Jenkins & Curtis, Broomfield, on account, 30 da., 1% 10 da.: 10 pcs., 541 yds., Stark C. Duck; 5 pcs., 122 yds., Stevens Crash; 2 pcs., 75 yds., Vermont C. Cheviot; 1 pc., 33 yds., Pontiac Seersucker.

9. Sell Martin & Jones, City, cash, 2%; deliver goods: 3 pcs., 181 yds., Red Cross Silesia; 2 pcs., 70 yds., Royal S. Flannel; 1 pc., 43 yds., Hamilton Stripe. Receive their check on First National Bank for the net amount of the invoice.

Enter the above in the Order Book in the usual way, but do not extend the amount into the right-hand money column. Write the word "Paid" across the entry in the O. B. Check the entry thus ✓ in the C. B.

10. Deposit Martin & Jones' check and all the currency on hand excepting 5.00. Also leave at bank for collection, Kenfield & Co.'s acceptance due on the 14th inst.

Remit H. B. Corwin & Co., New York, your check for the amount of their invoice of Jan. 15.

11. Sell Phillips & Co., Unionville, on account, 30 da.: 5 pcs., 296 yds., Stark C. Duck; 5 pcs., 265 yds., Paper Cambric; 5 pcs., 224 yds., Pepperell Sateen; 10 pcs., 446 yds., Passaic Prints; 5 pcs., 225 yds., Piedmont C. Drills.

12. Give Hilbert Truck Co. your check for 10.42 in full for freight and drayage charges to the 10th inst.

Buy of Central Mfg. Co., City, on account, 30 da.: 2% 10 da.; 10 pcs., 612 yds., Red Cross Silesia.

13. Sell Austin & Bro., City; ½ in cash, ½ on account, 30 da., 1% 10 da.; deliver goods: 5 pcs., 154½ yds., Waverly Suiting; 10 pcs., 448 yds., Passaic Prints. Receive cash for one-half the amount of the invoice.

Pay cash to book-keeper, 15.00, and clerks, 25.00, in full for services to date; also pay sundry expense bills for the week, 2.38.

Balance and rule the Cash Book, but do not bring the balance below the ruling, the reason for which will be explained later.

Make a summary in your Journal and post the entries. Next foot the Journal from the date of the last footing, and take off an Abstract of the Ledger. (*See 118-123, page 102.*) Remember to include in the abstract the footings of such items only as have been posted since the last abstract was taken.

It is presumed that the student has now had sufficient practice upon the simpler forms of single entry to admit of his taking up the more advanced and labor-saving methods.

[134] It will be apparent to the thoughtful student that much time and labor could have been saved in the preceding work by posting direct from the books of original entry, instead of passing the entries through an intermediate book. [135] To the extent that original books of entry are made principal books, to that extent is time and labor saved in keeping the books.

But the average business man who has his books kept by single entry prefers to have the posting all done direct from one book, generally the Day Book or Journal, no matter how many other books of original entry there may be in the set. The reason assigned being that he has a convenient and continuous record of the personal debits and credits of his business in one book; and the book-keeper who

MEMORANDA OF TRANSACTIONS FOR FEBRUARY (Continued).

takes charge of such a set of books is required to keep them as he finds them, hence, the presence of the simple forms of single entry book-keeping in this work.

Sometimes, however, the book-keeper is expected or requested to make such changes in the system as are labor-saving and practical, but not radical.

The following modification of the preceding method is here introduced for the purpose of illustrating a manner of improving a system of book-keeping without destroying the original structure. No additional books are employed and all the valuable features of the old system are preserved. The posting is done direct from the main books of original entry, viz.: Cash Book, Order Book, and Accounts Payable Book, and from the Journal which is used to contain such debits and credits as do not belong in the other above mentioned books. The Bill Book, Check Book and Ledger will be used as heretofore.

[136] For the purpose of demonstrating that the same form of book may be used in both single and double entry, the double entry form of Cash Book will be used for the remainder of this month, and in order to facilitate proving the posting, [137] the left-hand money column on the left-hand page will be used for the receipts of cash on account, and [138] the same column on the right-hand side for the payments of cash on account.

You will, therefore, carry the balance of cash as shown by your Cash Book forward to the first blank left-hand page and enter the amount in the second money column.

[139] Sometimes a separate Cash Book, called an Accounts Receivable Cash Book, is kept for the receipts on account when such receipts are numerous; and sometimes a petty cash book is kept as auxiliary to the main Cash Book.

15. Receive by freight from H. B. Corwin & Co., New York, invoice dated Feb. 10, on account 30 da., 1 % 10 da.: 20 pcs., 915 yds., Washington Cambric; 10 pcs., 262 yds., Stevens Crash; 10 pcs., 327 yds., Waverly Suiting.

Before entering the above, rule two red lines across the money column in the Accounts Payable Book to separate this from the preceding work. Rule the Order Book in the same manner.

Accept Foster & Co.'s draft at one day's sight for amount of their invoice of Jan. 12. (*J. & B. B.*)

16. Discount at bank Brooks & Son's note due on the 25th inst., and James Saunders' note due on the 22nd inst., and receive credit for the face of the paper. Also receive credit for Kenfield & Co.'s acceptance, less 25¢ collection, the draft having been collected. (*C. B. & Ck. B.*)

The interest accrued on the above notes is so nearly equal to the discount that the bank credits your account with the face of the paper. This is a very common practice with banks in discounting interest bearing commercial paper. Extend the above amounts into the right-hand money column of the left-hand page, and the collection in the same column of the right-hand page.

Receive from Jenkins & Curtis, Broomfield, a New York draft for the amount of the invoice sold them on the 8th inst., less 1%.

Credit J. & C. for full amount on left-hand side of C. B., extending the amount into the left-hand money column, and enter the discount on the opposite side of the C. B., extending the amount into the second money column.

17. Sell James Saunders, Toledo, on account 30 da., 1% 10 da.: 6 pcs., 257 yds., York Denims; 5 pcs., 181 yds., Royal S. Flannel; 5 pcs., 291 yds., Kenwood Cottonade; 5 pcs., 156 yds., Kellog Flannel.

Receive by freight from Jordan & Co., Boston, invoice dated Feb. 12, on account 60 da., 2% 10 da.: 25 pcs.,986 yds., York Denims.

18. Sell Martin & Jones, City, ½ in cash; ½ on account 30 da., 1% 10 da.: 4 pcs., 135² yds., Tremont C. Flannel; 10 pcs., 262 yds., Stevens Crash; 5 pcs., 199 yds., Manchester Gingham. Receive their check for one-half the amount of the invoice. (*O. B. & C. B.*)

Deposit the draft received from Jenkins & Curtis on the 16th inst., and Martin & Jones' check.

Discount at Merchants Bank, at 6 %, your note for 500.00, drawn payable at 10 days after date, favor of D. W. Parsons, and endorsed by him for your accommodation. Have the proceeds placed to your credit. (*C. B. & Ck. B.B.B.*)

Your note due to-day at bank has been paid by the bank, per instructions, and charged to your account. (*C. B. & Ck. B.*)

19. Your acceptance due to-day at the bank, has been paid and charged to your account.

MEMORANDA OF TRANSACTIONS FOR FEBRUARY (Continued).

Sell Kenfield & Co., Plainfield, terms, 60-da. note: 10 pcs., 585 yds., American Prints; 10 pcs., 375 yds., Dakota Jeans; 5 pcs., 215 yds., Hamilton Stripe. (*No entry required for the note until it is received.*)

20. Remit Jordan & Co., Boston, a New York draft for the amount of their invoice of the 12th inst., less 2%. Buy the draft at Merchants Bank by check.

Draw cash from the bank, by check, for office expenses, 50.00.

Pay book-keeper, 15.00, and clerks, 25.00, cash, in full for services.

You will now foot, balance, and rule the Cash Book. [141] In doing so, carry the footing of the personal columns into the general columns. [142] Next post direct to the Ledger from the Order Book, Accounts Payable Book, Journal and Cash Book. [143] Debit each customer from the Order Book for the amount of his purchase and enter the page of the Ledger in the Order Book opposite the name, as a check mark. [144] Credit the persons from whom you made purchases during the past week as shown by the Accounts Payable Book, and enter the page of the Ledger in the check column. [145] Post from the Journal as heretofore. [146] Post the items appearing in the personal column on the left-hand page of the Cash Book to the credit of the persons whose names appear opposite them, and check the entries; and [147] debit the amounts in the same column on the opposite side of the Cash Book.

The Ledger has now entered upon it all the personal debits and credits for the week. This result was accomplished with less labor and in less time than it would have taken by the other system, and there was less liability to mistakes. This is the system employed in all enterprising and progressive business houses, and it may be applied to any set of books whether kept by Double or Single Entry.

Next take off an Abstract of the Ledger. [148] To prove the posting, compare the debit footing of the Abstract with the sum of the debit footing of the Journal, the footing of the debit (right-hand) personal column in the Cash Book, and the footing of the Order Book; and [149] compare the credit footing of the Abstract with the sum of the credit footing of the Journal, the footing of the credit (left-hand) personal column in the Cash Book, and the footing of the Accounts Payable Book.

CHANGING FROM SINGLE TO DOUBLE ENTRY.

To enable the student or book-keeper to change a set of books from Single to Double Entry, and also to illustrate more fully the difference between Single and Double Entry, the books will be changed at this point, and continued during the remainder of the month by Double Entry.

It is believed that the student now fully comprehends that a Single Entry Ledger contains only a part of the accounts showing the resources and liabilities of the business, while a Double Entry Ledger contains *all* of the accounts showing resources and liabilities, as well as *all* of the accounts showing losses and gains.

[150] Since the Ledger, when changed, should show all of the resources and liabilities of the business, as well as the proprietor's present worth, and it now shows only a part of these, it will be apparent that a statement of the business is necessary at this time.

[151] You will therefore make a statement as instructed in the month of January. The following are schedules of the property on hand not appearing on the books, and found by taking inventory, which you will enter in proper form in your Inventory Book or Journal. Extend the merchandise at cost price.

SCHEDULE A. — American Prints, 10 pcs., 535 yds.; Atlantic A. Sheeting, 81 pcs., 4134[2] yds.; Birmingham Ticking, 45 pcs., 2239[1] yds.; Bombay Gingham, 52 pcs., 2060 yds.; Dakota Jeans, 43 pcs., 1613 yds.; Hamilton Stripe, 10 pcs., 458 yds.; Kellog Flannel, 10 pcs., 355 yds.; Manchester Gingham, 8 pcs., 349 yds.; Merrimack Prints, 40 pcs., 2137 yds.; Kenwood Cottonade, 30 pcs., 1966 yds.; Oxford Canton, 40 pcs., 1150 yds.; Piedmont C. Drills, 51 pcs., 2036 yds.; Pontiac Seersucker, 9 pcs., 263 yds.; Passaic Prints, 70 pcs., 3142 yds.; Pepperell Sateen, 10 pcs., 484 yds.; Paper Cambric, 15 pcs., 729 yds.; Red Cross Silesia, 15 pcs., 928 yds.; Stark C. Duck, 5 pcs., 420[2] yds.; Vermont C. Cheviot, 8 pcs., 314 yds.; Waverly Suiting, 10 pcs., 327 yds.; York Denims, 25 pcs., 986 yds.; Washington Cambric, 20 pcs., 915 yds.

SCHEDULE B. — Store and Fixtures, valued at 7000.00; Office Furniture, etc., 150.00, less 2%.

[153] The other resources and liabilities of the business may be determined by referring to the Ledger, Cash Book and Bill Book.

The net gain, as shown by your statement, should agree with the amount given below under the list number corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
	158.83	115.93	144.10	83.72	161.80	129.97	136.29	104.80	51.91	94.62

Having now made out a statement and ascertained the net gain and the present worth, you will next proceed to change the Ledger to Double Entry. [153] To do this it is only necessary to open such new accounts in the Ledger as will cause it to exhibit all of the resources and liabilities of the business as shown by the statement, and to credit the proprietor's account with the net gain or debit it with the net loss, so that that account will show the present worth. *You will, therefore, open the following new accounts in your Ledger: Mdse., Real Estate, Office Furniture, Bills Receivable, Cash, and Bills Payable. Debit each resource account for the amount it represents, as shown by the statement, and credit the liabitity account for the amount it represents, as shown by the statement. Next credit the proprietor's account for the amount of his net gain.* Give each new account one-fourth of a page space.

[154] Your Ledger is now in balance, if the work has been correctly performed, because all the resources are on the debit side, and all the liabilities and present worth, which is the difference between the resources and liabilities, are on the credit side.

[155] *You will next take a trial balance of your Ledger to prove the correctness of your work.* You will observe that your Ledger does not contain all of the accounts which usually appear in a Double Entry Ledger, such as Interest and Discount, Collection and Exchange, etc. This is due to the non-appearance of such items in your statement. These accounts will appear in the Ledger later on, and will be opened as occasion demands.

[156] In business, when the books have been kept by Single Entry, it is often impossible to obtain a correct statement of the resources and liabilities at any given time, owing to the incompleteness of that system; and hence [157] the net gain or net loss of the business for that period, and the proprietor's present worth, as shown by the statement, will not correctly represent the facts. For instance: [158] If a note had been issued, and no record made of it in the Bill Book, and the note was unpaid and not thought of at the time of making the statement, the liabilities would be the amount of the note too small. [159] This omission would have the effect of increasing the net gain or decreasing the net loss, which in turn would make the present worth greater than it should be, or the net insolvency less than it should be. [160] The omission of a resource at the time of making a statement would have just the opposite effect of the above results.

[161] There are two ways of correcting such omissions. [162] One way is to change the statement at the time the omission is discovered, and then make the necessary changes in the Ledger. [163] The other and better way is to make such an entry in the Journal, or other principal book, as will cause the account to which the omitted item belonged to show its true relation to the business, and the proprietor's account to show his true present worth, so far as it can be determined at that time. [164] If a resource had been omitted from the statement, debit the account to which it belonged and credit the proprietor's account; [165] if a liability, debit the proprietor and credit the liability. [166] The advantage of the second method will be apparent when it is stated that several items are liable to be omitted from the statement; and the omission may not be discovered until sometime after the books have been changed to Double Entry. [167] If these items were discovered at different times, as is generally the case, it would necessitate changing the statement that number of times by the first method, while by the second only so many entries on the Double Entry books would be necessary.

[168] It is necessary to debit or credit the proprietor's account, as the case may be, for the amount of the omitted item, or items, for two reasons: [169] First, to cause his account to show his true worth at the time of changing the books, and second, [170] to be able to determine the actual gain or loss for the period following the change. [171] This is very important in case a partner had been admitted at the time the books were changed. [172] If the Loss and Gain account had been debited or credited for the omitted items, as is sometimes done, that account would not show the actual gains or losses for the period during which the account remained open, and [173] the new partner would be debited with a greater net loss or credited with a greater net gain than he should be.

[174] The records for the remainder of the month will be made in accordance with the principles of Double Entry. No additional books will be required and no change will be made in any of the books

excepting the Cash Book, in which the left-hand money column on each page will be used as an item column, the same as in the ordinary Double Entry Cash Book illustrated on pages 76 and 77.

[175] The posting will be done direct from the Order Book, Cash Book and Journal, as in the months of November and December, and from the Accounts Payable Book as in the preceding week.

[176] Posting could be done from the Bill Book and Check Book, thereby making every book in the set a principal book, and thus reducing still further the labor of keeping the books. But while this is sometimes done, most business men prefer to treat the Bill Book and Check Book as auxiliary books, and pass the entries in them through the Journal or Cash Book to the Ledger.

MEMORANDA OF TRANSACTIONS FOR FEBRUARY (Continued.)

22. Receive by freight from H. B. Corwin & Co., New York, invoice dated Feb. 15; terms, 30 da., 1% 10 da.: 10 pcs., 355 yds., Royal S. Flannel; 20 pcs., 552 yds., Stevens Crash; 20 pcs., 786 yds., Vermont C. Cheviot. (*A. P. B. only.*)

Receive from Austin & Bro., City, their check for the balance of the invoice sold them on the 13th inst., less 1%. (*C. B. Credit A. & Bro. and debit Mdse.*)

Sell Armstrong & Eddy, Olean, terms cash, less 2%: 3 pcs., 118 yds., Manchester Gingham; 10 pcs., 580 yds., Merrimack Prints; 5 pcs., 290 yds., Kenwood Cottonade; 5 pcs., 248 yds., Washington Cambric; 5 pcs., 160 yds., Oxford Canton. Receive a New York draft, their favor and endorsed by them, for the net amount of the invoice. (*O. B. and C. B. Enter only the net amount of the invoice in the C. B. and extend the same into the total column of the O. B. Check the entries in both books, to prevent their being posted.*)

Deposit all the cash on hand, including the check and New York draft. (*Ck. B.*)

Your note due to-day at bank has been paid and charged to your account. (*C. B. and Ck. B.*)

23. Sell Martin & Jones, City; ½ in 30-da. note; ½ on account, 30 da., 1% 10 da.: 10 pcs., 442 yds., Passaic Prints; 11 pcs., 450 yds., Piedmont C. Drills; 5 pcs., 185 yds., York Denims; 5 pcs., 255 yds., Atlantic A. Sheeting; 2 pcs., 90 yds., Bombay Gingham. Receive their note as per above terms, payable at First National Bank. (*O. B., J. & B. B.*)

Receive from Kenfield & Co., Philadelphia, their 60-da. note in payment of the invoice sold them on the 19th inst. (*J. & B. B.*)

24. Discount at Merchants Bank, at 6%, the draft received from Kenfield & Co., on the 8th inst. and the note received from them on the 23rd inst. Bank charges 75¢ collection in addition to the discount. (*Debit Expense for the collection on the above draft.*)

Receive by freight from Jordan & Co., Boston, invoice dated Feb. 19, terms ½ in 30-da. note; ½ on account, 1% 10 da.: 25 pcs., 850 yds., Tremont C. Flannel; 20 pcs., 915 yds., Pepperell Sateen. Make your note dated Feb. 19, for one-half the amount of the above invoice and remit it to Jordan & Co., as per above terms. (*A. P. B. & J.B.B.*)

25. Sell R. D. Brown, Dansville, terms, ½ in 30-da. note; ½ on account, 30 da., 1% 10 da.: 10 pcs., 504 yds., Atlantic A. Sheeting; 10 pcs., 608 yds., Birmingham Ticking; 10 pcs., 575 yds., Bombay Gingham; 5 pcs., 190 yds., Dakota Jeans; 5 pcs., 285 yds., Kenwood Cottonade; 2 pcs., 66 yds., Pontiac Seersucker. (*Order Book only.*)

Sell Bardwell & Co., City, terms, cash, 2%: 10 pcs., 535 yds., American Prints; 10 pcs., 458 yds., Hamilton Stripe; 10 pcs., 355 yds., Kellog Flannel; 5 pcs., 231 yds., Manchester Gingham; 8 pcs., 314 yds., Vermont C. Cheviot. Receive their check on Exchange National Bank for the net amount of the invoice. (*See instructions under sale to Armstrong & Eddy above.*)

Sell Austin & Bro., City, terms, cash 2%: 10 pcs., 327 yds., Waverley Suiting; 5 pcs., 420[2] yds., Stark C. Duck; 7 pcs., 197 yds., Pontiac Seersucker; 20 pcs., 1015 yds., Atlantic A. Sheeting; 25 pcs., 1143 yds., Passaic Prints. Receive their check on Traders Bank for net amount of bill.

26. Give Hilbert Truck Co. your check for 15.84, in full for freight and drayage charges. (*Mdse.*)

Sell Dodd, Beadle & Co., City, terms cash, 3%: 46 pcs., 2360[2] yds., Atlantic A. Sheeting; 35 pcs., 1631[1] yds., Birmingham Ticking; 40 pcs., 1395 yds., Bombay Gingham; 38 pcs., 1423 yds., Dakota Jeans; 30 pcs., 1557 yds., Merrimack Prints. Receive their check on Merchants Bank for the net amount of the invoice.

MEMORANDA OF TRANSACTIONS FOR FEBRUARY (Continued.)

26. Pay, by check, H. B. Corwin & Co.'s sight draft on you for the amount of the invoice bought of them Jan. 26. (*C. B., Ck. B. & A. P. B.*)

27. Receive from R. D. Brown, Dansville, his note at 30 da. for one-half the amount of the invoice sold him on the 25th inst.

Sell Austin & Bro., City, terms, 10-da. note, 1%: 15 pcs., 667 yds., Washington Cambric; 20 pcs., 801 yds., York Denims; 20 pcs., 786 yds., Vermont C. Cheviot; 20 pcs., 552 yds., Stevens Crash; 15 pcs., 928 yds., Red Cross Silesia; 15 pcs., 729 yds., Paper Cambric; 10 pcs., 484 yds., Pepperell Sateen. Receive their note for the net amount of the invoice. (*O. B. & J.*)

Sell Martin & Jones, City, terms, 30-da. note: 10 pcs., 355 yds., Royal S. Flannel; 35 pcs., 1557 yds., Passaic Prints; 40 pcs., 1586 yds., Piedmont C. Drills; 35 pcs., 990 yds., Oxford Canton; 10 pcs., 1391 yds., Kenwood Cottonade; 20 pcs., 915 yds., Pepperell Sateen; 25 pcs., 850 yds., Tremont C. Flannel. Receive their note for the amount of the invoice.

Sell Amos Jennings the store and lot for 6700.00; office furniture, etc., 100.00; and good-will for 50.00. Receive his check on Traders Bank for full amount. (*Credit the amount received from the sale of good-will to Loss and Gain.*)

Deposit the checks received from Bardwell & Co., Austin & Bro., Dodd, Beadle & Co., and Amos Jennings; also, draw currency from bank by check, for office use, 50.00.

Pay cash to book-keeper, 15.00, and clerks, 25.00, in full for services to date; also sundry expense bills, 1.50.

Foot, balance and rule the Cash Book, and foot and rule the Order Book and the Accounts Payable Book. Next post the entries for the week. Post the footing of the Order Book to the *credit* of Mdse., and the unchecked entries in that book to the debit of the parties to whom the sales were made. Post the footing of the Accounts Payable Book to the *debit* of Mdse. and credit the parties of whom the purchases were made. Post from the other books the same as heretofore.

Having sold out your stock of goods and disposed of your store and business, you will now make a balance sheet, preparatory to closing the books. As there is no property on hand to inventory, all of the resources and liabilities of the business are shown in the Ledger.

The net gain, as shown by the summary of your balance sheet, should agree with the amount given below, under the list number corresponding to your own.

NET GAIN.	*No. 1.*	*No. 2.*	*No. 3.*	*No. 4.*	*No. 5.*	*No. 6.*	*No. 7.*	*No. 8.*	*No. 9.*	*No. 10.*
	334.12	250.75	310.10	171.52	362.04	345.90	331.56	302.37	202.72	268.85

Next close all of the accounts in the Ledger. Do not bring down the balances below the rulings as this Ledger is not to be used in settling up the business. In business in cases of this kind the regular books would be filed away for future reference, while the unsettled accounts would be transferred to a small ledger, usually of pocket size. Some carry the balances only of the accounts to the pocket ledger, while others enter all the unpaid items of all unsettled personal accounts, and of such accounts as Bills Payable and Bills Receivable, together with the necessary explanations.

QUESTIONS.

Page 98.—Describe the Accounts Payable Book and explain its use. Describe the Order Book and explain its use. How is the Journal used in February? Page 102.—What is an Abstract of Ledger? Of what is it accepted as proof? Page 105.—How is the posting done from the Order Book, and Accounts Payable Book in Single Entry, when these books are used as principal books? [150-151] What should be done preparatory to changing books from Single to Double Entry? From what sources do you get the information necessary to make out a statement? What does a statement show? Page 106.—[153] What is it necessary to do to change books from Single to Double Entry? [154] Why should the Ledger be in balance after the above steps have been taken? [158-160] What effect would the omission of a resource or liability from the statement have upon the net gain or net loss? [162-165] How would you correct such omissions? [169-173] Why is it necessary to debit or credit the proprietor's account for the omitted items? Could you find your Net Gain or Net Loss if you did not know how much you were worth at commencing? Could you find your Present Worth?

SPECIAL COLUMN JOURNAL.

[1] The **Special Column Journal** is a Journal provided with special or separate columns for those items which occur most frequently in the business.

[2] The advantage of using this form of Journal is in the saving of time and labor by not posting to the accounts the separate items which are carried to the special columns, [3] the footings only of these columns being posted daily, weekly or monthly, as desired.

[4] All items for which no special columns are provided are placed in the General or Sundries column, and each item is posted separately, as in the ordinary form of Journal. [5] The number of special columns is not, however, limited.

In the form illustrated on page 110 two special columns, Cash and Mdse., are used on each side of the Journal. [6] Any account, entries in which occur with sufficient frequency, either upon the debit or credit side, to make it desirable, may have a special column provided for it. In many kinds of business it is desirable to provide a special column for Expense upon the debit side of the Journal.

[7] The columns are to be footed at the bottom of each page, and proved before being carried forward to the next page. [8] The sum of the three columns upon the debit side of the Journal must equal the sum of the three upon the credit side.

[9] In extending the amounts, particular care must be exercised, or errors will be made by extending amounts to the wrong columns. [10–11] The Ledger would not balance if a special column item were by mistake placed in the Sundries column, or a Sundries column item in a special column, because in the first case the amount would be omitted, and the Ledger would be out of balance the amount of the item. In the second case it would be posted twice, and the Ledger would also be just the amount of the item out of balance.

[12] This form of Journal may be used to advantage in almost any kind of business, and [13] in connection with almost any set of books.

[14] The bank account will be kept in the Ledger in this set, instead of on the stub of the Check Book, as in the preceding sets. [15] The bank is debited when a deposit is made in the bank. [16] The bank is credited when a check is drawn upon the bank. [17] The checks drawn by other persons which come into your posession should be treated as cash. [18] Debit cash when you receive such checks, and [19] credit cash when you dispose of them. [20] Remember, however, not to treat your own checks as cash.

The **books to be used** are the Special Column Journal, Bill Book and Ledger.

SPECIAL COLUMN JOURNAL.

DANSVILLE, MARCH 1, 189–.

MDSE.	CASH.	SUNDRIES.	L.F.		L.F.	SUNDRIES.	CASH.	MDSE.
				Commenced business this day with the following resources:				
	2000 00			Cash, on hand,				
		185 00	3	R. L. Marvin, owes on acct.,				
		315 00	8	Bills Receivable, note made by D. T. Harris at 2 mo. from Feb. 28, payable at Traders Bank.				
		6500 00	12	Real Estate, store and lot 315 E. Main St.				
				To Student, net investment.	1	9000 00		
				2.				
575 00				Mdse., To Bills Payable,	10	575 00		
				Bot. of M. S. Watson on my note at 30 da., 100 bbls. Flour @ 5.75.				
				3.				
		70 00	13	Expense, To Cash,			70 00	
				Paid for premium on insurance on store and contents, 3,500; pr. 2%.				
				4.				
600 00				Mdse., To H. J. Brown,	4	600 00		
				Bot on acct., 1000 bu. Corn, @ 60¢.				
				5.				
		700 00	5	R. W. Johnson, To Mdse.,				700 00
				Sold on acct. 100 bbls. Flour, 7.00.				
				6.				
	690 00			Cash, To Mdse.,				690 00
				Sold 100 bbls. Flour, @ 6.90.				
1175 00	2690 00	7770 00		Forward,		10175 00	70 00	1390 00

MARCH 8, 189–.

MDSE.	CASH.	SUNDRIES.	L.F.		L.F.	SUNDRIES.	CASH.	MDSE.
1175 00	2690 00	7770 00		Forward,		10175 00	70 00	1390 00
		100 00	1	Merchants Bank, To Cash,			100 00	
				Deposited currency.				
				9.				
480 00				Mdse., To Merchants Bank,		480 00		
				Bot. of H. J. Brown, by check, # 1, 1200 bu. Oats, @ 40¢.				
				10.				
	70 00			Cash, To Mdse.,				70
				Sold 100 bu. Corn, @ 70¢.				
1655 00	2760 00	7870 00				10655 00	170 00	1460 00
		2760 00	15	Cash,	15	170 00		
		1655 00	16	Mdse.,	16	1460 00		
		12285 00				12285 00		

MEMORANDA OF TRANSACTIONS FOR MARCH.

4. Commence business this day with the following resources and liabilities: RESOURCES: Cash on hand, 3000.00; on deposit in College Bank, 4000.00; 100 bbls. Flour, @ 8.00; C. D. French's note, dated Feb. 4th last, at 30 days, 200.00; Jas. Harris owes on %, 500.00. LIABILITIES: Your note favor of Geo. Wells, dated Dec. 11 last, at 90 days, payable at College Bank, with interest, 500.00; interest accrued, 83 days on above note; due Hill & Co., on %, 375.00.
5. Buy of White Bro's, on %, 50 bbls. Pork, @ 15.00; 25 bbls. Beef, @ 17.25.
6. Give Hill & Co. your check on College Bank, to apply on %, 100.00. (*See 13 to 19, page 109.*) Sell O. W. Jones, on %, 25 bbls. Flour, @ 9.00; 15 bbls. Pork, @ 16.50.
7. Deposit cash in College Bank, 500.00. (*See 14, page 109.*) Sell for cash, 15 bbls. Beef, @ 18.75.
8. Buy of Geo. J. Marsh, on your note at 15 days, 50 bbls. Beef, @ 17.25. (*See 7 and 8, page 109.*)
9. Receive cash for a note due to-day. Pay White Bro's cash on %, 500.00.
11. Sell R. J. Barton, 20 bbls. Beef, @ 18.50; 25 bbls. Flour, @ 9.00; receive cash, 300.00; balance on %.
12. Pay cash for set of office books and stationery, 25.00. Deposit cash in College Bank, 1000.00.
13. Receive cash of O. W. Jones, on %, 250.00.
14. Your note and the interest upon it, 7.75, due to-day, has been charged to your % at College Bank.
15. Buy a safe for office use, and pay for same by check on College Bank, 225.00. (*See 15, page 109.*)
16. Sell O. W. Jones, 25 bbls. Beef, @ 18.50; 25 bbls. Flour, @ 9.25; receive his note at 10 days, with interest, payable at City Bank, 500.00; balance on %.
18. Receive cash of Jas. Harris, on %, 200.00. Buy for cash, 25 bbls. Pork, @ 15.00.
19. Sell H. A. Strong, on his note at 60 days, 25 bbls. Pork, @ 16.25.
20. Sell for cash, 10 bbls. Pork, @ 16.50. Draw cash from the business for your private use, 50.00.
21. Sell for cash, 15 bbls. Beef, @ 18.50; 10 bbls. Pork, @ 16.25.
22. Give White Bro's your check on College Bank, to apply on %, 300.00
23. Sell for cash, 10 bbls. Flour, @ 9.25; 5 bbls. Pork, @ 16.25.
25. Buy of White Bro's, on % 25 bbls. Beef, @ 17.25. Receive cash of Jas. Harris, to balance %, 300.00.
26. Pay your note due to-day in cash. Receive cash of O. W. Jones, on %, 222.50.
27. Buy of Geo. J. Marsh, on your note at 25 days, payable at College Bank, 50 bbls. Pork, @ 15.00.
28. R. J. Barton has compromised with his creditors at 25 %; settle his % on that basis, receiving cash.
29. Get H. A. Strong's note, received 19th inst., discounted at College Bank, and receive cash for the proceeds. Receive cash for a note, with interest, due to-day.
30. Sell D. B. Oliver, on %, 20 bbls. Pork, @ 16.25; 10 bbls. Beef, @ 18.50. Pay salaries, 50.00, and rent of store, 50.00, in cash.

INVENTORIES, MARCH 30, 189–.

15 bbls. Flour, @ 8.00; 40 bbls. Pork, @ 15.00; 15 bbls. Beef, @ 17.25. Office safe, at cost.

[21] You may now balance the Journal as illustrated on page 110, and post the foregoing transactions. [22] Post the *totals only* of Cash and Mdse., as shown by the footings of those columns,—the footings on the left-hand side to the debit, and the footings on the right-hand side to the credit of those accounts. All items in the Sundries columns are to be posted separately, as in the ordinary Journal.

After you have finished posting, make out a balance sheet and close the Ledger. Your statement should show a Present Worth of 7534.74.

QUESTIONS.

Page 109.—[1] Describe the Special Column Journal. [2] What is the advantage of its use? [3] How is this advantage secured? [4] What disposition is made of items for which no special columns are provided? [5] Is the number of special columns limited? [6] Upon what does the opening of a special column for any particular item depend? [7] How frequently are the items to be footed and proved? [8] How are they to be proved? [9] What error is to be particularly guarded against? [10] What would be the effect upon the Ledger if a special column item were extended to the Sundries column? Why? [11] If a Sundries column item were extended to a special column? Why? [12–13] When may this form of Journal be used to advantage? [14] Where is the bank account kept in this set. [15–16] When is the bank debited, and when credited? [17] How are the checks of other persons treated, that come unto your possession? [18–19] Give the rules for journalizing such checks. [20] Are your own checks treated as cash in this set? Why not?

Page 111.—[21] How is the Journal balanced? [22] How is the posting done?

RETAIL

[1] The following set is designed to illustrate a simple and practical set of book-keeping for a retail business. [2] It is especially adapted for use in Retail Groceries, Markets, Shops, etc.

[3] The **Books Used** are Order Book, Cash Book, Journal, Accounts Payable Book, Petty or Customers' Ledger, and Main Ledger, as principal books; and Check Book, as auxiliary. [4] Other books, as Petty Cash Book, Receiving Book, Clerks' Sales Record, Department Sales Book, Department Sales Ledger, Abstract Books, etc., are also kept in large retail houses.

[5] The **Order Book** used in most retail houses is a cheap, coarse book, made usually with a page about twelve inches long and five inches wide, and lies upon the counter during business hours. [6] Goods to be delivered, that are paid for when ordered, are entered regularly in the Order Book, and the word "Paid" is written across the order, but the amount is not extended into the outside column. [7] If not paid for, the amount is extended into the outside column, and the items are entered in the purchaser's account in the Customers' Ledger, at the close of the day's business, or at such other time as it may be convenient to post from this book. [8] At the close of the day's business, or at the end of the month, the outside money column of the Order Book is footed, and the footing, which represents the credit sales of Mdse. for that period, is posted to the debit of Accounts Receivable in the Main Ledger, and to the credit of Mdse. [9] Some prefer to make a Journal entry for the footing of the Order Book, especially when it is footed daily. [10] When this is done the Journal is usually provided with special columns for these items, the footings of which are posted monthly. (*See form of Order Book, page 98.*)

[11] Some retail houses have two sets of Order Books. [12] One set for use on Mondays, Wednesdays, and Fridays, and [13] the other set for use on Tuesdays, Thursdays, and Saturdays. [14] When this is done the books used in the store on one day are examined, checked, and posted in the office on the next. [15] Again, other retail houses use blank order sheets instead of order books. [16] These order sheets are put up in pads of 50 or 100 each, and lie upon the counters. [17] When an order is received it is entered upon one of these order sheets. [18] When the order has been filled and the goods sent to the delivery department, the order sheet is sent to the office, [19] with the date of delivery, and such other information as may be required, written or stamped upon it. [20] As these order sheets reach the office, the ones marked "Paid" are filed away among the "Paid Orders," and [21] those that are not marked paid are entered in detail in the purchasers' accounts in the Customers' Ledger.

[22] After the unpaid orders have been posted, the order sheets, or charge tickets as they are sometimes called, are put on a spindle or into a clip, until the close of the day's business, [23] when they are footed, and an entry made in the Journal, "Accounts Receivable to Mdse." for the amount of the footing. [24] These charge tickets are filed away in a safe and convenient place, those having the same date, or sometimes those having the same name, being filed together.

[25] The **Petty** or **Customers' Ledger** is, generally, a medium sized book, ruled like an ordinary Journal, and contains accounts with customers only. [26] The purchases and payments of customers are entered in detail in this book, [27] the former from the Order Book or Charge Tickets, and [28] the latter from the Cash Book or Cash Credit Tickets. [29] From a Ledger kept in this way, an itemized statement of a customer's account can easily be made at any time. [30] Such statements are rendered monthly in most retail houses. (*See form of Customers' Ledger, page 114.*)

[31] As a part of the accounts of the business are kept in the Customers' Ledger, an account, called "Accounts Receivable" is opened in the Main Ledger, [32] to represent these customers' accounts, and [33] to keep the Main Ledger in balance. [34] The left-hand side of the Accounts Receivable account represents the debit side of the Customers' Ledger, and [35] the right-hand side of that account represents the credit side of the Customers' Ledger. [36] The difference between the sides of the Accounts Receivable account in the main Ledger shows at any time the amount owing from customers.

[37] The Customers' Ledger being kept by single entry, does not, of course, balance. [38] It may be proved, however, as follows: Find the difference between the sides of the Customers' Ledger, and compare it with the difference between the sides of the Accounts Receivable account in the Main Ledger;

the differences should agree. [39] This is not, however, an absolute proof of the correctness of the Customers' Ledger, [40] as errors might have been made in posting to the wrong accounts, which would not be disclosed by the above test.

The **Pass Book.** [41] It is customary for some retailers, especially those engaged in the grocery or market business, to furnish each regular customer a pass book, [42] which is usually pocket size, and ruled like an ordinary Day Book. (*See form of Pass Book, page 115.*)

[43] When an order is left at the store to be delivered, the pass book is usually left with the order, and when the goods are delivered the pass book is returned, with the proper charges entered in it.

[44] When the items are entered in the pass book it is unnecessary to post in detail in the Customers' Ledger, [45] the date, amount, and explanation "per Pass Book" or "per P. B.," being sufficient. [46] But orders are often received and charged in the absence of the pass books, [47] when the items should, of course, be posted in detail in the Customers' Ledger; and [48] the details would indicate "not on Pass Book." [49] Then when the pass book is left at the store to be "written up," the book-keeper copies from the Customers' Ledger only the detailed charges, and [50] then tests the footings of the pass book, with the footings of the account in the Ledger, which should agree.

[51] When pass books are used no bills are rendered for the month, as [52] the pass book is a statement of account in itself. [53] The page of the customer's account in the Ledger is usually written in large figures on the cover of the pass book, together with the customer's name, which enables the book-keeper to turn to the customer's account without consulting the index.

[54] Pass books will not be used in this set, but the Customers' Ledger will be kept as if they were used.

[55] The **Cash Book** need not differ from the ordinary double entry form already illustrated. [56] The one used in this set, however, is arranged with special columns, for the purpose of classifying somewhat, the receipts and payments of cash, and to facilitate the work of posting. [57] There are two special columns on the left-hand side, and two on the right. [58] The first money column on the left-hand side is used for the payments made by customers on account, and is headed "Accounts Receivable." [59] The items in this column are posted daily to the credit of their respective accounts in the Customers' Ledger, and [60] the column is footed daily, weekly, or monthly, as desired, and the footing is posted to the credit of Accounts Receivable in the Main Ledger. (*See form of Cash Book, pages 114, 115.*)

[61] The second money column is used for the daily cash sales of Mdse., and is headed "Mdse." [62] The items in this column are not posted, but are checked thus ✓ when they are entered, to prevent their being posted. [63] The column is footed, however, at the end of the month, or whenever the Cash Book is balanced, and the footing is posted to the credit of Mdse. in the Main Ledger.

[64] The first money column on the right-hand side of the Cash Book is used for cash payments made for carrying on the business, and is headed "Expense."

[65] The second money column on the right-hand side is used for the cash purchases of Mdse., and is headed "Mdse." [66] The footings only of these two special columns are posted, and the items checked.

[67] The third money column on each side of the cash book is used for such items as do not belong in the special columns, and also for the footings of the special columns. [68] These columns are headed "General," and the items which appear in them are posted daily to the Main Ledger. [69] The footings of the General columns are not posted, as no cash account is kept in the Ledger in this set.

[70] The Cash Book need not be closed oftener than once a week or once a month, but [71] it should be proved every day.

[72] The **Journal** used in this set is the same in form as the one used in the month of February. [73] In it are recorded such transactions as do not properly belong in the other books.

[74] The **Check Book** is an auxiliary book, and is used the same as in preceding sets.

[75] The **Accounts Payable Book** is used partly as a principal and partly as an auxiliary book in this set. [76] When an invoice is received it is recorded in the Accounts Payable Book, and no other entry is made for the purchase until the goods are paid for. [77] At that time the payment is recorded in full in the "When Paid" section of the Accounts Payable Book, and an entry is made on the main books debiting Accounts Payable for the face amount of the invoice.

[78] At the end of the month, or whenever it is desired, the Accounts Payable Book is footed, and [79] the footing is posted to the debit of Mdse. %, and [80] to the credit of Accounts Payable %, in the Main Ledger. [81] The Accounts Payable account shows at that time the amount owing by the business on Mdse. purchases; and [82] the Accounts Payable Book shows to whom payments are due on such purchases. [83] In some retail houses it might be found desirable to keep a Purchase Ledger in connection with the Accounts Payable Book.

CASH BOOK.

APRIL, 189–.

DATE.		Folio.	LEDGER ACCOUNT.	EXPLANATION.	ACCOUNTS RECEIVABLE.		MDSE.		GENERAL.	
189–.										
Apr.	1	J.	Student,	Invested,					1000	00
	2	√	Mdse.,	Cash sales for day,			28	10		
	3	21	Mrs. W. K. Greene,	On account,	5	00				
	3	√	Mdse.,	Cash sales for day,			15	27		
	4	√	Mdse.,	Dis., B. & Co.'s inv., 2%			3	13		
	4	√	Mdse.,	Cash sales for day,			13	20		
	5	20	E. M. Fowler,	On account,	1	70				
	5	18	E. L. Johnson,	To balance acct.,	4	60				
	5	√	Mdse.,	Cash sales for day,			45	25		
	6	15	E. F. Dewey,	On account,	7	50				
	6	√	Mdse.,	Cash sales,			53	87		
		49	Accounts Rec., (Cr.)	Total collections,	18	80			18	80
		56	Mdse., (Cr.)	Total for week,			158	82	158	82
									1177	62
Apr.	8		Balance,	On hand,					935	04

CUSTOMERS' LEDGER.

J. W. MOORE, 13 Temple Street.

189–.				
Apr.	2	Mdse., per P. B.,	2 28	
	5	10 lb. A. Sugar, ^{95}; 4½ lb. C. Fish, ^{36}; 2 lb. J. Coffee, ^{70};	2 01	
		4 lb. Crackers, ^{40}; 5 gal. K. Oil, ^{75}; 4 bu. Potatoes, 2^{40},	3 55	
	6	Cash,		5 00
	8	Mdse., per P. B., 2^{10}; (9) Mdse., per P. B., 2^{27},	4 37	
	11	10 lb. G. Sugar, 1^{05}; 2 qt. Oysters, ^{60}; 1 pkg. Pepper, ^{25};	1 90	
		2 lb. J. Tea, 1^{10}; 1 Lemon ex., ^{20}; 5 Butter, 1^{25},	2 55	
	12	Cash,		11 66
			16 66	16 66

The above illustrates the form of Ledger referred to in 25, page 112; also the manner of keeping a customer's account in such a Ledger. It will be observed that the left-hand money column is used for debit amounts, and the right-hand money column for credit amounts. The items are short-extended until the line is filled, when the sum of the items on that line is entered in the money column. Two or more dates may be entered on one line, thereby economizing space.

Some retail dealers prefer the ordinary form of Ledger for this purpose, and enter only one item on a line, placing both debit and credit amounts in the same money column, as in the pass book. (*See form of pass book, page 115.*) In that case when the left-hand half of the page is filled, the right-hand half is used for the same purpose.

CASH BOOK.

APRIL, 189–.

DATE.		Folio.	LEDGER ACCOUNT.	EXPLANATION.	EXPENSE.	MDSE.	GENERAL.
189–.							
Apr.	1	✓	Expense,	Set of books, ck. # 1,	14 25		
	3	✓	Mdse.,	Potatoes $4, Cabbage $2,		6 00	
	4	48	Accounts Payable,	Brown & Co., Inv. # 3,			156 48
	4	✓	Expense,	Exch. on dft. to B. & Co.,	50		
	5	✓	Mdse.,	Freight and drayage,		12 35	
	6	5	Student,	Private use,			20 00
	6	✓	Expense,	Pay roll for week,	33 00		
		50	Expense, (Dr.)	Total for week,	47 75		47 75
		56	Mdse., (Dr.)	Total for week,		18 35	18 35
							242 58
			Balance,	In safe, 35.04			
				" bank, 900.00			935 04
							1177 62

PASS BOOK.

1

189–.				
Apr.	2	½ lb. Java Coffee,		18
		1 lb. G. P. Tea,		50
		1 sack Flour,	1	60
	5	10 lb. A. Sugar,		95
		4½ lb. C. Fish,		36
		2 lb. J. Coffee,		70
		5 gal. K. Oil,		75
		4 lb. Crackers,		40
		4 bu. Potatoes,	2	40
		Forward,	7	84

2

189–.				
		Forward,	7	84
Apr.	6	Cash,	6	00
		Balance,	1	84
	8	2 Brooms,		50
		2 bu. Apples,	1	00
		1 lb. Raisins,		12
		1 doz. Eggs,		23
		1 cake Chocolate,		25

The above is designed to illustrate two pages of a customer's pass book, showing the usual way in which such a book is kept.

The book is footed at the bottom of each page, and the footing carried forward until a payment is made, when it is deducted, and the balance brought down.

The customer's name and the page of his account in the Ledger are generally written on the cover of the pass book.

MEMORANDA OF TRANSACTIONS FOR APRIL.

MONDAY, APRIL 1, 189–.

Commence the Retail Grocery business with the following resources: Cash on hand, 500.00; on deposit in Traders National Bank, 2000.00; U. S. Bonds, on deposit in Traders National Bank, as collateral security for deposit account overdrafts, 3000.00; horse, wagon, harness, etc., per inventory, 450.00; furniture and fixtures, per inventory, 260.00. (*Enter the entire investment in the Journal and check the cash item; enter the cash on hand and in bank in the Cash Book and check the item, see C. B. page 114; enter the amount on deposit in bank in the Check Book. Open acct. with "U. S. Bonds."*)

It is customary to devote one or more pages of the Inventory Book to Furniture and Fixture a/c, Horse and Wagon a/c, etc., and to enter in detail in these accounts the purchases made from time to time of articles which they represent. Then at the end of the year the inventory of this property is already recorded, and all that remains to be done, is to compare the footings of these accounts in the Inventory Book with the footings of the same accounts in the Ledger, and then deduct from 10 % to 25 % for ordinary wear.

Copy the following inventory into your Inventory Book, or onto a sheet of cap paper ruled in Day Day Book form in the absence of an Inventory Book:

HORSE AND WAGON a/c.—1 brown horse, "Ned," 5 yrs. old, 200.00; 1 delivery wagon, 3 spring democrat, 150.00; 1 single harness, 25.00; 2 robes, 7.50 ea.; 1 set blankets, 8.00; 1 whip and hitching weight, 2.00; 1 delivery sleigh, 50.00. FURNITURE AND FIXTURE a/c.—1 office desk, 45.00; 1 office safe, "Marvin's," 95.00; 1 office table and desk, 20.00; 4 office chairs, 10.00, the set; 2 office stools, 1.25 ea.; curtains and curtain fixtures, 12.50; 1 platform scale, 35.00; 4 counter scales, 40.00.

Lease of George Munroe, the lower story and basement of the store, No. 317 Market St., for a term of 5 years, at a yearly rental of 600.00, rent payable monthly in advance. Pay one month's rent by check. (*C. B. & Ck. B.*)

Receive by freight from Tilts & Austin, 135 Franklin St., New York, invoice of Teas and Coffees, 475.22. Invoice dated Mar. 25; terms, 30 da. 1% 10 da. (*Enter in Accounts Payable Book only. See 76, page 113.*)

In this set no details of purchases are given for the reason that the invoices, which contain the details, are supposed to have been received by mail previous to the arrival of the goods and placed on file.

Pay cash for a set of blank books for store and office use, as per receipted bill, 8.75. (*Expense a/c. See illustration page 115.*)

Cash bills should be filed separate from time bills, and they should not be entered in the Accounts Payable Book. Remember to extend the amount of the above purchase into the expense column of the *C. B.*

Employ the following clerical force: book-keeper and cashier, Miss C. B. Brown, 8.00 per week; clerks, R. Bowen, E. J. Rice, 10.00 per week; driver, B. Simmons, 12.00 per week.

In business when help is employed, a memorandum of the agreement is made in the Time Book, or if no Time Book is used, then in some other one of the business books. You may make a memorandum of the above in your Journal.

Receive by freight the following merchandise: from John McKinley & Co., Bridgeport, invoice of Flour, 850.00, invoice dated March 27, terms 30 da., 1% 10 da.; from Bonter & Maltby, Buffalo, invoice of Fancy Groceries, invoice dated March 25, terms 30 da., 1% 10 da., 715.83.

Pay cash for 6 bundles of assorted wrapping paper, for use in store, 3.18. (*See 64, page 112.*)

Open an account and a pass book with Jno. R. Scanlon, 28 Arch St., and sell: 1 sack Patent Flour, 1.60; 1 lb. Java Coffee, 32¢; ¼ lb. Japan Tea, 60¢. (*Enter in Order Book. See form of O. B. on page 98. Also, see 5–7, page 112, and 41–54, page 113.*)

In stating the price of an article, the price by the pound, dozen or number is given, and fractional parts are determined therefrom; thus, ¼ lb. Japan Tea, 60 ¢, is extended 15 ¢.

Write, "per P. B.", after the customer's name in the order book when the pass book accompanies the order, and "no book" when it does not. Enter the order in detail in the order book, and check each item thus √, in addition to the usual shipping marks, to indicate that the goods have been delivered.

Pay cash for country produce, 9.00. (*Enter in C. B. and extend the amount into the special Mdse. column. See 65, page 113.*)

In some retail houses no entry would be made for a transaction like the above. The cash would be taken out of the cash sales drawer, thereby reducing in effect the cash sales for the day. The reason usually assigned for not making an entry in such cases, is that the merchandise purchased replaces other goods sold for which this cash was received, and also that it makes no difference in the final result. The principle, however, is not a good one, as the Cash Book is not made to show all of the receipts and payments of the business, and consequently there is no check upon errors or deficiencies.

MEMORANDA OF TRANSACTIONS FOR APRIL (Continued).

Open an account and a pass book with E. R. Goddard, 38 Spring St., and sell: 1 sack B. W. Flour, 85¢; 1 bu. Potatoes, 90¢; 1 doz. Florida Oranges, 60¢; 1 doz. Lemons, 40¢; 1 lb. Rio Coffee, 28¢. The oranges and lemons are not in stock, but are expected to arrive to-morrow. (*Enter the order regularly in the Order Book and check off such goods only as can be delivered.*)

Do not put the delivery marks // against the order until all the goods have been delivered.

Cash sales for the day, per cash sales checks, 13.27. (*Enter in C. B. and extend the amount into the special Mdse. column.* (*See Cash Book, page* 114.)

The amount of cash sales for the day is determined in various ways in business. The most popular way is by means of cash sales checks or cash sale tickets, a quantity of which, bound in book form, is supplied to each clerk.

When a cash sale is made, the date of the sale and the quantity and cost of the goods are entered upon one of these checks. The check is then torn out of the book and sent with the money to the cashier's desk. The clerk also makes a memorandum of the sale on the stub of the leaf containing the original record, and at the close of the day's business makes a summary of the day's sales, giving the number of each sale and the amount of it, and also the total sales, on a summary sheet which is furnished him for that purpose. The cash sales checks are compared and checked with these summary sheets at the close of the day or on the next business day.

Sometimes these summary sheets are pasted or printed in the back of these clerks' check books, in which case a second set of these books is provided for use on alternate days.

When the cash sales checks reach the cashier's desk they are put on spindles, the checks of each clerk, or of each department being put on a separate spindle, until the close of the day's business, when they are footed, and the footing compared with the cash in the cash drawer. The two amounts should agree if the drawer was used exclusively for such receipts; but if cash received from other sources was put into the drawer, and payments were made out of it, the amounts would not agree. When a separate drawer is not used for the cash sales, the footing of the cash sales checks may be tested in the following manner: Add to the amount of cash in the drawer at night the amount of cash paid out during the day, and from this sum deduct the amount of cash received during the day from other sources than from cash sales of Mdse. This difference should agree with the footing of the cash sales checks.

In some of the large retail houses a record is kept of the sales made by each clerk in a book called a Clerks' Sales Record. This book serves somewhat as a guide to the proprietor or manager in determining the value of a clerk's services.

A record is also kept of the Mdse. sold in each department in a book called a Department Sales Book, the monthly footings of which are posted to a Department Ledger. From these two books abstracts are made which exhibit the daily, monthly, and yearly sales in each department, and in all the departments.

Post the unpaid orders appearing in the Order Book to the Customers' Ledger (*see form of C. L., page 114; also, see 44 to 48, page 113*). Give each account one-fourth page space. Next post any General column entries appearing in the Cash Book (*see 68, page 113*) and the entries appearing in the Journal. (*See 67–69, page 113.*)

Prove the Cash Book, but do not rule or balance it. The cash in safe is 492.34.

To prove the Cash Book, find the sum of the cash in bank and in safe, and compare with the difference between the sides of the Cash Book.

TUESDAY, APRIL 2, 189–

Receive by fast freight from Jerome & Simmons, New York, an invoice of Fruits and Nuts, 125.96. Invoice dated March 29; terms, on account, 10 da. (*See 76, page 113.*)

Deposit in bank, cash, 350.00.

Sell for cash, to be delivered to Mrs. Estelle Livingston, 13 Baltimore St.: 10 lb. A. Sugar, 9½¢; 3 lb. Pulverized Sugar, 10¢; 1 doz. Lemons, 40¢. (*Enter in Order Book, and mark "Paid." See 6, page 112.*)

This being a cash sale, a ticket for the amount of it is sent, together with the money, to the cashier, and it will be included in the amount credited to Mdse. at the close of the day's business. (*See note under last transaction for the preceding day.*.)

Deliver the Oranges and Lemons included in E. R. Goddard's order of yesterday, per Order Book. (*Check these items in the O. B., and mark the order as delivered.*)

Pay cash for postage, 1.50; for pens, ink, and stationery, 2.00. (*See 64, page 113.*)

Draw cash from the business for private use, 25.00.

Procure 2500.00 insurance for one year on "stock in store at any time" and on fixtures, in the Empire State Insurance Co., and pay 1% premium on the policy by check, favor F. R. Webb, agt. (*Expense %.*)

MEMORANDA OF TRANSACTIONS FOR APRIL (Continued)

Appropriate goods from the store amounting to 6.80, for private use. (*J.*)

Sell Mrs. R. H. Ensign, 151 Martin St., on %, per Pass Book: 20 lb. C. Sugar, 8¢; 1 bu. Potatoes, 60¢; 1 pkg. Yeast, 8¢.

Receive from Brewster & Co., City, an invoice of Groceries, Provisions, Wooden Ware, etc., 952.86. Invoice dated to-day; terms, on account 10 da.

Buy country produce, and pay for same in cash, 18.25.

Sell E. R. Goddard, per P. B., 1 pkg. Saleratus, 8¢; ½ lb. can Baking Powder, 25¢; 1 pkg. Starch, 15¢.

Remember, hereafter, when sales are noted in the memoranda "per P. B.," to detail same in Order Book, mark "per P. B." and post to Customer's account in C. L., simply "Mdse., per P. B.," and the amount.

The Baking Powder quoted above is 1 whole can containing ½ lb., and the can is worth 25¢, which sum is extended into the money column. Were it entered ½ can Baking Powder, 25¢, it would mean 1 can half full, and ½ of 25¢, or 13¢, would be extended.

There is nothing more perplexing to book-keepers in writing-up, or auditing, a set of books, than the lack of proper explanation in the original entries. The entry clerk, or book-keeper, should bear in mind that a charge or a credit in a set of books ought to clearly represent the facts, as it may enter into settlements or litigation long after the memory fails to call up the transaction. If improperly recorded an entry becomes a question of law instead of fact, and often law is not vindicated.

A book-keeper should not, necessarily, remember anything regarding an entry. If brought into court he should be able to say: "The entry is right. It was made at the time of the transaction and in accordance with the facts. The history of the transaction is recorded in the books."

Sell John R. Scanlon, no pass book with the order: 1 lb. Rice, 10¢; 5 lb. Butter, 25¢; 3 doz. Eggs, 28¢. (*See 46–48, page 113.*)

Receive by freight from Armstrong & Caton, Troy, Mdse., 258.96, per invoice dated Mar. 28; terms, on account 10 da.

Sell M. S. Hinman, 38 Second St., on acct. per P. B., 1 sack Roller Flour, 1.80; 3 lb. L. L. Raisins, 18¢.

Pay freight bills to date in cash, 92.17. (*Mdse acct.*)

The freight charges on goods increases the cost of the goods, hence Mdse. should be debited for the amount of the above item. Sometimes a Freight & Drayage account is opened to receive such items, and this account is closed into Mdse. account at the end of the year, or whenever the loss and gain accounts are closed.

Cash sales for the day per cash sales checks, 78.92.

Prove the Cash Book. The cash in safe is 82.34.

Post the entries for the day as instructed under the transactions for the preceding day.

WEDNESDAY, APRIL 3, 189–.

Pay James Hart, by check, in full for his bill for Hay, Oats and Straw, furnished for horse, 8.56; also, pay cash for shoeing horse, 2.50.

Sell Mrs. Estelle Livingstone, on acct. per P. B.: 1 lb. Castile Soap, 30¢; 3 lb. Wash. Soda, 5¢; 1 cake Toilet Soap, 15¢; 3 doz. Clothes Pins, 3¢; 1 Clothes Line, 25¢; 1 Wash Tub, 75¢; 1 Wash Board, 25¢.

Sell, to J. W. Emmons, 1793 E. Main St., for cash and deliver: 5 lb. Rio Coffee, 25¢; 1 bbl. Patent Flour, 6.25.

Pay cash for country produce, 6.60.

Sell Mrs. R. H. Ensign, no book: 1 lb. G. P. Tea, 50¢; 2 lb. Rio Coffee, 25¢; 3 lb. Pul. Sugar, 10¢.

Give J. Moore your check for 40.50, in payment of 1 Stove and Stove Furniture, purchased on the 1st inst., on account, for use of store. (*Furniture & Fixture %. Enter also in Inventory Book.*)

It is not customary in a business of this character to make entries for purchases like the above until they are paid for, which saves lumbering up the books with intermediate records of petty transactions. Bills are usually rendered for such purchases, and these being kept on file may be referred to at any time. When a bill is paid it should be receipted, or a memorandum made upon it of the payment.

MEMORANDA OF TRANSACTIONS FOR APRIL (Continued).

Remit Tilts & Austin a New York draft in payment of their invoice of March 25, less the agreed discount. Buy the draft at bank by check. The bank charges 50¢ exchange. (*Enter in the Cash Book. Debit Accounts Payable for the face of the invoice; debit Expense for the bank's charge; credit Mdse. for the amount of the allowance. See 77, page 113; also see illustration of C. B. pages 114 and 115.*

The amount of the above check may be found by adding the exchange to the difference between the amount of the invoice and the amount of the discount.

Receive cash of E. R. Goddard, 2.00, to apply on account. (*See illustration of C. B. page 114; also see 58–60, page 113.*)

Sell, J. R. Scanlon, on account, no P. B.: 3 lb. Codfish, 10¢; E. R. Goddard, per P. B., 3 lb. Crackers, 10¢; 5 lb. C. Sugar, 8¢; 20 lb. Pastry Flour, 3¢; 1 gal. N. O. Molasses, 80¢; 3 lb. A. Sugar, 9½¢.

Cash sales for the day, per cash sales checks, 154.00.

Prove the cash and post the entries for the day. The cash in safe is 229.24.

THURSDAY, APRIL 4, 189–.

Sell Mrs. Estelle Livingstone, on acct.: 10 lb. A. Sugar, 9½¢.

When not stated, the pass book was not left with the order. Remember to post such entries in detail in the C. L.

Sell J. R. Scanlon, per pass book: 1 lb. Rio Coffee, 25¢; 1 lb. E. B. Tea, 50¢; 1 doz. Eggs, 28¢.

Sell M. S. Hinman, per P. B.: 5 lb. Pork, 10¢; 1 qt. Beans, 10¢; 1 Cabbage, 15¢; ½ lb. E. B. Tea, 50¢.

Give E. Line a due bill, payable in goods from your store, in payment of his bill for two wood signs for store, 8.00. (*Enter in Journal, Furniture & Fixtures to Accounts Receivable, and open an account with E. Line in the Customers' Ledger.*)

A due bill is a written acknowledgment of a debt. It may be treated as a Bill Payable by the one giving it, and as cash, or Mdse., by the one receiving it, When a due bill is given payable in goods from the store as above, it is customary to open an account with the payee, and credit him with the face of the due bill, as he may make several purchases before the bill is paid. Then when purchases are made by the payee on account, his account is charged with the amount of them. Sometimes, however, when the amount is small, instead of opening an account in the C. L., the purchases are either endorsed on the due bill, or an itemized bill is sent with the goods.

Receive cash, per P. B., from Mrs. R. H. Ensign, to apply on account, 3.00.

Sell J. H. Storm, 18 Brown St., on account per pass book: 3 lb. Crackers, 10¢; 1 Lem. Extract, 20¢; 1 pkg. Pepper, 25¢; 2 gal. K. Oil, 12¢; 3 lb. Codfish, 8¢; 10 lb. A. Sugar, 9½¢.

Sell John Walters, 119 Fourth St., on acct. per pass book: 2 lb. Crackers, 10¢; 1 bu. Potatoes, 60¢; 1 bag Salt, 20¢; 1 lb. G. P. Tea, 50¢.

Sell to A. H. Kendall, 51 Goodman St., for cash and deliver: 1 bbl. Patent Flour, 6.50; 20 lb. A. Sugar, 9½¢; 3 doz. Eggs, 28¢.

Remit Bonter & Maltby, Buffalo, a New York draft for the amount of the invoice purchased of them March 25, less the agreed discount. Buy the draft at bank by check; exchange 1.00. (*See instructions under remittance to Tilts & Austin on the preceding day.*)

Deposit cash, 300.00.

Cash sales for the day per cash sales checks, 157.96.

Prove the cash and post the entries for the day. The cash in safe is 90.20.

FRIDAY, APRIL 5, 189–.

Buy farm produce of Enos Potter, amounting to 3.52, in payment for which he takes 1 lb. Japan Tea, 60¢; 1 lb. Rio Coffee, 25¢; ½ lb. Java Coffee, 32¢; 5 lb. C. Sugar, 8¢; 1 gal. N. O. Molasses, 80¢, and cash for the balance. (*Enter in O. B. and C. B., and mark the order "Paid in Produce."*)

Remember not to extend the amount of "Paid" orders into the outside money column of the O. B. Enter the amount of the Mdse. bought on the right-hand side of the C. B. and the amount of the Mdse. sold on the left-hand side of the C. B. The difference will show the cash paid in the transaction.

MEMORANDA OF TRANSACTIONS FOR APRIL (Continued).

Give Oberg & Co. your check for 25.00, in payment of a suit of clothes for yourself.

Receive cash from J. R. Scanlon, to balance account per P. B. (*Rule up J. R. S.'s account in C. L. when you post this entry.*)

Sell Mrs. Mary Cummings, 13 Eighth St., for cash, to be delivered: 1 bu. Potatoes, 60¢; 1 sack R. Flour, 1.80; 2 lb. A. Sugar, 9½¢; 1 lb. Japan Tea, 60¢.

Sell W. R. Johnson, 715 Croston Ave., on account per pass book: 2 lb. Japan Tea, 60¢; 5 lb. A. Sugar, 9½¢; 3 lb. Butter, 25¢; 1 Broom, 25¢; 2 Wood Pails, 20¢.

Sell J. V. Davis, 139 Tremont St., on account per P. B.: 2 lb. Rolled Oats, 5¢; 2 cakes Lenox Soap, 6¢; ½ doz. Oranges, 50¢; ½ bu. Potatoes, 60¢.

Remit Jerome & Simmons a New York draft for amount of invoice purchased of them March 29. Buy the draft at bank by check; exchange 50¢.

Remember to record the payment in the Accounts Payable Book.

Receive cash from M. S. Hinman, to apply on account, 2.50.

Sell Mrs. S. B. Graham, 983 West Ave., on account per P. B.: 1 doz. Eggs, 28¢; 2 lb. Crackers, 10¢; 1 can Tomatoes, 15¢; 2 lb. Butter, 28¢; 1 bag Salt, 10¢.

Sell Mrs. Estelle Livingstone, 3 lb. S. G. Starch, 8¢; 1 box Corn Starch, 10¢; 1 doz. Eggs, 28¢.

Deposit in bank, cash, 200.00.

Cash sales for the day, per cash sales checks, 168.92.

Prove the cash and post the entries for the day. The cash in safe is 65.90.

SATURDAY, APRIL 6, 189–.

Give H. B. Clark your check for 15.50, for coal delivered on the 1st inst. for use of store. (*See note under transaction with J. Moore, Apr. 3.*)

Receive from Brown & Co., City, Mdse., 174.13, as per invoice dated to-day; terms, on acct., 30 da.

Sell E. Line, 18 James St., to apply on due bill: 5 lb. A. Sugar, 9½¢; 2 lb. C. Sugar, 8¢; 2 doz. Eggs, 28¢; 1 lb. Cheese, 12¢; 2 cakes L. Soap, 6¢. (*See transaction with E. Line, Apr. 4.*)

Sell E. R. Goddard, on account per P. B.: 1 Ham, 14½ lb., @ 13¢; 1 pail Lard, 10 lb., @ 9¢; 20 lb. Meal, 3¢; 1 sack Roller Flour, 1.80.

Pay cash for country produce, 13.18.

Remit John McKinley & Co., Bridgeport, a New York draft for the amount of the invoice purchased of them March 27, less the agreed discount. Buy the draft at bank by check; exchange 1.00.

Sell J. H. Storm, on account per P. B.: 1 bu. Potatoes, 60¢; 2 doz. Eggs, 28¢; 3 lb. Butter, 27¢; 1 sack Roller Flour, 1.80.

Sell A. H. Kendall, 51 Goodman St., on account per P. B.: 2 gal. K. Oil, 12¢; 1 Broom, 25¢; 1 lb. Japan Tea, 60¢; 2 lb. Java Coffee, 32¢.

Sell John Walters, on account per P. B.: 1 gal. N. O. Molasses, 80¢; 1 lb. Rio Coffee, 25¢; 3 lb. A. Sugar, 9½¢; 1 lb. G. P. Tea, 50¢.

Receive cash, to apply on account, from the following persons: Mrs. Estelle Livingstone, 3.51; E. R. Goddard, 7.00; John Walters, 3.00; W. R. Johnson, 2.00.

Sell L. R. Castle, 53 Prince St., for cash, to be delivered: ½ bu. Potatoes, 60¢; 1 doz. Eggs, 28¢; 2 lb. Butter, 25¢; 1 lb. G. P. Tea, 50¢; 1 lb. Rio Coffee, 25¢.

Pay cash for repairing delivery wagon, 1.25. (*Expense %.*)

Deposit in bank, cash, 100.00.

Cash sales for the day, per sales tickets, 176.87.

Pay employees in full for their services for the week, 40.00.

Post the entries for the day in the Order Book and Cash Book.

MEMORANDA OF TRANSACTIONS FOR APRIL (Continued).

Foôt and rule the Order Book and post the footing. (*Debit Accounts Receivable and credit Mdse. See 8, page 112.*)

Balance, rule and foot the Cash Book. (*See illustration on pages 114, 115.*) The cash in the safe is 103.85.

Post the footings of the special columns in the Cash Book — those on the left-hand side to the credit, and those on the right to the debit of their respective accounts in the Main Ledger. (*See 60–70, page 113.*

Rule and foot the amount column in the Accounts Payable Book and post the footing. (*Debit Mdse. and Credit Accounts Payable in the Main Ledger. See 78–82, page 113.*)

For the purpose of illustrating the closing of a set of books kept by this system, a statement of the business will now be made and the books closed.

You will, therefore, make a balance sheet and prove the Customers' Ledger. (*See 37, page 112.*)

INVENTORIES, APRIL 6, 189–.

RESOURCES.

MERCHANDISE — per Inventory Book	3003.42
FURNITURE AND FIXTURES, per Inventory Book (less 1%)	305.41
HORSE AND WAGON, " " " (" 1%)	445.50
EXPENSE, 51 weeks unearned insurance, 24.52; three weeks unearned rent, 37.50	62.02

The net Gain for the week is 25.00.

QUESTIONS.

Page 112.—[1]What is this set designed to illustrate? [2]For what is it especially adapted? [3]What are the books used? [4]What other books are sometimes used in retail houses? [5–7]Describe the Order Book and tell how entries are made in it. [8–10]When and how is the posting done from this book in this set? [11–14]What is the practice in some retail houses that have two sets of Order Books? [15–16]What do other retail houses use to record orders on? [17–24]Explain how an order is entered, what is done with the order sheets, and what entries are made from them. [25–28]Describe the Customers' Ledger used in this set, and explain how it is kept. [29]What is the advantage of this form of Ledger? [30]When are statements rendered in most retail houses? [31]What account is opened in the Main Ledger to represent the Customers' Ledger? [32–36]Explain this account and its further use. [37,38]How may the Customers' Ledger be proved? [39,40]Is this an absolute proof?

Page 113.—[41–53]Describe the Pass Book and explain its use. [55–71]Describe the Cash Book used in this set, and explain in detail the method of keeping it. [75]How is the Accounts Payable Book used in this set? [76–82]Explain the method of keeping it. Review the explanatory notes given in connection with the memoranda of transactions.

RETAIL COAL BUSINESS.

[1] The design of this set is to illustrate a system of book-keeping especially adapted to the Retail Coal business. [2] It is also adapted, in most respects, to any business where a Weigh Book is required.

[3] The distinctive features of a business are represented in the auxiliary books that are peculiar to that business. [4] And when an auxiliary book can be used as a main or principal book, or when the two can be combined, two important things are secured: [5] First, by combining auxiliary and main books, much labor is saved; [6] second, by making the books of original entry the basis for posting, errors are less likely to occur, and when they do occur they are certain to be detected.

Special Books.—[7] The labor-saving books special to this set are Weigh Book, Purchase Book, Sales Ledger, and Daily Cash Balance Book or Daily Cash Blotter.

Main Books.—[8] The main books are Journal, General Ledger, Sales Ledger, Cash Book, and Weigh Book.

Auxiliary Books.—[9] The auxiliary books are Purchase Book and Daily Cash Balance Book.

Weigh Book.—[10] This book is sometimes used, in its simpler form, as an auxiliary book, the records in which are copied to a Sales Book or Journal. [11] It becomes the Sales Book in this set, and the form shown on pages 126, 127, illustrates its use as such. [12] From it are posted direct to the Sales Ledger all time sales, and [13] at the end of the month, the "On Account" columns are footed and the amount [14] is posted to the debit of "Accounts Receivable" and to [15] the credit of "Coal" or "Mdse." and "Housing" in the General Ledger.

This form of Weigh Book is both labor saving and practical. [16] Should the Weigh Book be used as an auxiliary book and omissions or errors be made in transferring from it, they would not be likely to be discovered. [17] But when the posting is done direct from this book the debit footing of the Abstract of the Sales Ledger must exactly tally with the footing of the "Total Amt." column of the Weigh Book, and if it does not then evidence is presented immediately of error or omission. [18] It is also evident that the cash "Coal" and "Housing" columns of the Weigh Book must tally with the "Coal" and "Housing" columns of the Cash Book.

[19] These footings being verified by the proprietor, he is assured of two important things in connection with his business: [20] First, that no time sales have been omitted from the Weigh Book; [21] second, that all cash sales have been accounted for in the Cash Book.

By consulting the form of Weigh Book illustrated on pages 126, 127, a better understanding of it may be obtained. [22] The book is made to order in business, with printed headings, and with stub and weigh bills in duplicate. [23] The duplicate weigh bills are filled out after the record of the sale is made on the stub,—never before—[24] then the weigh bills are torn off, as indicated by the dotted lines, and sent by the driver with the load of Coal to the place of delivery. [25] The outside weigh bill is left with the customer as a manifest or voucher for the quantity and kind of Coal he has received; and by these he may verify the statement of his account, when received from the dealer.

[26] The second weigh bill is to be signed by the customer, and when so signed and returned by the driver it becomes a competent voucher for the correctness of the customer's account.

[27] The stubs of the Weigh Book are numbered consecutively in red ink and [28] the number on the duplicate weigh bills should correspond to the number of the stub from which they are detached.

[29] It will not be necessary for the student to use a complete Weigh Book in working this set, the stub of such a book will be sufficient.

[30] The main money columns of the Weigh Book are "Total On Acct." and "Housing On Acct.," [31] together with auxiliary money colums of "Cash Coal" and "Cash Housing." [32] Sometimes this book has ruled in it a memorandum Cartage column [33] in which a record is kept of the cartage earned. [34] All sales on time are extended into the "On Acct." column and posted to the Sales Ledger. [35] All sales for

cash are extended to the "Cash" columns, the footings of which are carried to the Cash Book at the close of the day's business. [36] In cash sales the stubs are marked "Paid" (*see illustration, page 126*) [37] and the weigh bills are also receipted in the same way.

[38] There are two prices on each kind of Coal—"price in yard" and "price delivered," and [39] Coal account is credited for sales made at both prices.

[40] Where Coal is to be carried in from the wagon in baskets an extra man is sometimes sent from the yard for that purpose. [41] To him the dealer pays so much per ton in cash and charges same to "Housing" account through the Cash Book. [42] In some localities the teamsters do the housing, and when they haul by the load they are paid extra for the housing.

[43] When Coal is to be housed the cost of housing is included in the amount charged the purchaser. [44] If it be a "time" purchase, the total amount is entered in the "total amount" column, and the housing in the "housing" column of the "on account" division of the Weigh Book. [45] If it be a "cash" purchase the amounts are entered in the corresponding columns of the "cash" division of the Weigh Book. (*See illustrated form of Weigh Book, pages 126, 127.*)

[46] The total footing of the "Total amount" column is posted to the *debit* of Accounts Receivable; [47] Housing account is *credited* for the footings of the left-hand Housing column, and [48] Coal account is *credited* for the difference between the footings of the Total Amt. column and the Housing column.

[49] The footing of the right-hand or cash Housing column is carried to the left-hand side of the Cash Book at the close of the day, "Housing, total for day, $——;" and [50] the footing of the cash Coal column is entered in the Coal column on the left-hand side of the Cash Book, at the close of the day's business.

[51] When the memorandum cartage column is used in the Weigh Book, it would be neither posted nor carried to any other book, but would be footed at the bottom of each page and the footing carried forward until the end of the month, when the amount would be compared with the Cartage account in the Ledger, as will be explained later.

[52] The special columns on the back of the stub, and which are headed "Bituminous" and "Anthracite," are used for keeping a record in tons (T.) and hundred weights (C.) of the different kinds of Coal sold. [53] This record aids in determining the inventory at the end of the year. (*See illustration of Purchase Book, on pages 124, 125.*)

The Daily Cash Balance Book, or Cash Blotter.—[54] This book is usually a cheap, coarse book, and the entries in it are made in pencil. It may be used in any business. [55] The object is to determine the amount of cash that should be on hand. [56] By this system of daily balances errors are less likely to occur, and if they do occur they are more easily detected while all the transactions of the day are fresh in the mind. [57] It is the book of original entry and from it and the stubs of the Check Book, the Main Cash Book is compiled.

[58] In this book are recorded all actual cash transactions. [59] The "balance counted" is the actual cash remaining in the cash drawer or safe. [60] While the bank account is carried as cash on hand in the Main Cash Book, all deposits are entered in this book, but checks drawn are not entered in it. [61] In the Main Cash Book no deposits are entered, but all checks drawn are entered as cash paid out.

[62] All transactions in this book should be recorded *by the person* handling the money. [63] Sometimes this book is provided with special columns, [64] the footings only of which are carried to the Main Cash Book. [65] In balancing this book at the close of the day the kind of cash on hand should be stated; as, "currency, $——," "checks, $——," etc. [66] The student will not be required to use the Daily Cash Balance Book in this set.

[67] **The Sales Ledger** is designed to contain accounts with parties to whom sales have been made on account. [68] It may be kept in any form. [69] An ordinary Ledger, such as illustrated on page 126, is more convenient, however, and is the one used in this set. [70] Contracts for more than two or three tons and for future delivery are entered in memorandum at the head of the account. (*See illustration, page 126.*) [71] Each load is entered in pounds, and when the contract is filled, or when the Sales Ledger is proven the amount is entered in the money column.

[72] Where it is the practice to weigh out and deliver even tons or fractions of a ton, the customer's account in the Ledger would be kept the same as in any other business. [73] The duplicate weigh bills would then be filled out showing the amount delivered in tons, or fractions of a ton; as, 1 ton Chestnut, $\frac{1}{4}$ ton Stove.

[74] The practice of weighing out even tons is rarely, if ever, followed in the sale of Bituminous or Soft Coal. Both forms of keeping a customer's account are illustrated in this set.

PURCHASE BOOK AND

MANIFEST.						STOCK RECORD.																		No. Invoice.	ACCOUNTS
						BITUMINOUS.						ANTHRACITE.													
DATE SHIPT.		DATE REC'D.		CAR OR BOAT.		LUMP.		R.O.M.		SMITH		GRATE		EGG.		STOVE		NUT.		PEA.					NAME AND
				NO.	LETTER.	T.	C.	T.	C.	T.	C.	T.	C.	T.	C.	T.	C.	T.	C.	T.	C.				
189–.		189–.																							
				3850	L. S. R.	10	08																		
				2290	Emp.	11	06																		
				826	C. C.	10	02																		
Apr.	18	May	2	4682	Emp.	11	05																	1	J. Wood, Sons & Co.
				2642	Erie.																				
				8020	W. B.																				
				3260	Penn.																				
				2892	Emp.																				
	20		1	9030	W.							10	08	11	03	10	02	12	07	10	09			2	Burton Bros. & Co.
	24		1	3868	W. B.					10	09													3	D. M. Worden & Co.
May	1		10	986	Penn.													11	03					4	Burton Bros. & Co.
	1		12	909	Penn.													10	09					5	Burton Bros. & Co.
	3		20	1374	W.			10	06															6	Wood, Sons & Co.
						43	01	10	06	10	09	10	08	11	03	10	02	33	19	10	09				Total Tons Bo't.
								1	06							1	02		18						Total Tons Sold (see W. B., page 126).
						43	01	9	00	10	09	10	08	11	03	9	00	33	01	10	09				Tons on hand.

The Purchase Book.—[75] The form illustrated on pages 124, 125, is especially adapted to the Coal business. [76] It combines in one book the Stock Book, Purchase Book, Accounts Payable Book and Purchase Ledger. [77] The only accounts posted from this book are Coal account and Accounts Payable. (*See illustration, pages 124, 125.*)

[78] Under the heading, "Stock Record," the dealer can, with the aid of the stock columns in the Weigh Book, determine his inventory at any time. [79] At the left, under the head of "Manifest," is entered the date the Coal is shipped, the date when received, and a description of the car or boat. [80] When received and after the manifests are verified, the quantity is entered in the proper column of any particular kind by tons and cwts., [81] 10 tons and 900 lbs. are entered, T. Cwt. 10 09, the cipher being placed before the nine for convenience in adding. [82] Each invoice is numbered, and the name of the shipper, and the amount, time and date of maturity are indicated in the succeeding columns.

[83] All purchases are made in gross tons of 2240 lbs. each, and sales are made by the net ton of 2000 lbs. each.

[84] By reference to the illustrated set on pages 124–127, it will be seen that the total sales in the Weigh Book foot, as follows: R. O. M., 1 T. 9 cwt., net ton, and immediately beneath is the footing 1 T. 6 cwt., gross ton. 1 T. 5 cwt. Stove, net ton, has the equivalent 1 T. 2 cwt., and 1 T. Nut, the equivalent 18 cwt. By reference to the Purchase Book it will be seen that the footings are recorded in gross tons. From the total footings in gross tons are subtracted the sales from the Weigh Book in gross tons, and the balance brought down represents the inventory in gross tons. [85] To change 1 T. 9 cwt., net tons, to gross tons: 1 T. 9 cwt. = 2000 lbs. 2900 lbs. ÷ 2240 lbs. = 1 gross ton and 660 net pounds over. 660 lbs. ÷ 112 lbs. = 6 cwt., gross weight. [86] The inventory thus reached is simply an approximation. [87] Of course the only correct way is to weigh the Coal. But as this would be very expensive in the Coal business, inventories for the purpose of closing the Ledger are made about May 1, when the stock is low and often all sold. If not all sold many dealers deduct a certain per cent. for shortage, screenings, etc., so that the inventory reached may be low enough. [88] The method here

STOCK BOOK COMBINED.

PAYABLE.					TO WHOM DUE.								
ADDRESS.	AMT. INV.	WHEN DUE.			J. WOOD, SONS & CO.			BURTON BROS. & CO.			D. M. WORDEN & CO.		
		TIME.	DATE.		DATE.	DR.	CR.	DATE.	DR.	CR.	DATE.	DR.	CR.
			189–.		189–.			189–.			189–.		
Warren, O.	94 61	30 ds.	May	18	May 2 May 18	10 50 84 11 94 61	94 61						
Wilkesbarre, Pa.	155 23	30 ds.	May	20				May 1 May 20	12 95 142 48	155 23			
Pittsburg, "	26 13	30 ds.	May	24							May 1 May 24	5 20 20 93	26 13
Wilkesbarre, Pa.	39 03	30 ds.	June	1				May 10	2 78	39 03			
" "	36 58	30 ds.	June	1				May 12	2 55 160 75	36 58 230 84			
Warren, O.	20 60	30 ds.	June	3			20 60 115 21						
Coal Acct. To Accts. Pay.	382 18											26 13	26 13

illustrated is, however, the basis upon which inventories are taken, and from month to month exhibits the approximate amount, in kinds, of Coal on hand. As the purchases in most cases overrun, the amount lost by screening, etc., is thus made good, and therefore, the above method is sufficiently accurate for practical purposes.

[89] Thus far the record is purely a Stock Book and Accounts Payable Book, and as such is auxiliary in its use; but, by footing the column headed "Amount of Invoice," it becomes a Purchase Book,—one of the main books. [90] The footing is posted, "Coal account to Accts. Pay." in the General Ledger. [91] Most retail Coal dealers make their purchases from less than five companies, and many of them from two, and some from even one. [92] In this set purchases are made from but two companies, and these are represented at the right, under the head "To Whom Due." [93] In the credit column are entered the invoices, and in the debit are posted first, the freight which is paid when the Coal is received and charged back to the shipper, and immediately under the freight item is posted, from the Cash Book, the balance of each particular invoice at the time the balance is paid. It is evident that an Abstract of these accounts should prove "Accounts Payable" in the General Ledger.

[94] **The Main Cash Book** in this set is based upon labor-saving special columns. [95] The left-hand side of the book has a column headed "Accts. Rec.", in which are entered all collections on account; one headed "Coal," in which are entered the daily Coal sales for cash (the correct entry for the daily cash sales is as follows: "Coal, as per Weigh Book, page —."); and lastly a "General" column. [96] On the credit side the columns are, "Accts. Payable," "Expense," "General." The entries for the Accts. Payable column should be carefully explained, as follows: "Paid freight on invoice June 1st, 12.15;" or, "In part pmt. invoice June 6th, 100.00;" or, "In full for balance on invoice June 6th, 150.00."

[97] **The Journal and Main Ledger** used in this set are the same in form as those used in the preceding sets.

WEIGH BOOK.

(BACK OF STUB, OR LEFT-HAND PAGE.)

BITUMINOUS.						ANTHRACITE.									
LUMP.		R. O. M.		SMITH.		GRATE.		EGG.		STOVE.		NUT.		PEA.	
T.	C.	T.	C.	T.	C.	T.	C.	T.	C.	T.	C.	T.	C.	T.	C.
												1			
										1	05				
		1	09												
		1	09							1	05	1			
		1	*06*							*1*	*02*		*18*		

FOLD OF BOOK.

WEIGH

(STUB, OR RIGHT-HAND PAGE.)

NAME AND ADDRESS.	S. L. FOL.
573. NEWTON, May 1, 189–. *M* r. JAMES MORTON, 142 E. Seneca St. *Gross,* 2930 *Wagon,* 930 *Net,* 2000 *Kind,* Nut. *Price,* 4.50 *Teamster,* Condon. Housed.	27
574. NEWTON, May 15, '90. *M* rs. W. J. PARMER, 1472 Pearl St. *Gross,* 3370 *Wagon,* 870 *Net,* 2500 *Kind,* Stove. *Price,* 4.75. *Teamster,* Mann. Housed.	✓
575. NEWTON, May 31, 90. *M* essrs. BOOTH & Co., Factory, 18 Ohio St. *Gross,* 3850 *Wagon,* 950 *Net,* 2900 *Kind,* R. O. M. *Price,* 3.25. *Teamster,* Self.	33
Accounts Rec.,	3
(Total in net tons.) To Housing,	5
(*Equivalent in gross tons.*) Coal ,	13
576. *M.* *Gross*	

PAID.

Contract. May 25, 189–.
10 Tons R. O. M., 3.25.
10 Tons Egg, 4.50.
Del. at yard.

SALES LEDGER.

BOOTH & CO., 18 Ohio St.

189–.				W. B. No.		
May	31	R. O. M. 2900 lbs.,	3.25	575	4	71
June	1	3100 lbs.		583		
		2800 lbs.		575		
	13	2950 lbs.		586		
		2850 lbs.		587		
		2750 lbs.		591		
	26	2850 lbs.		593		
		Filled 17300 lbs.			28	12
					32	83
		Egg Coal,	4.50			
June	30	2800 lbs.		594		
		2950 lbs.		595		
		2850 lbs.		595		
		8600 lbs.			19	35
		Balance due on Egg coal, 11400 lbs.				

189–.					
June	6	C. B.,	136	32	83
				32	83

The above illustrates a method of keeping a customer's account in pounds. At the top is entered the contract, and below is recorded the date, the number of pounds in each load, and opposite each load the Weigh Book number. No amount is entered nto the money column until the contract is filled, except at the end of the month when an extension must be made for the purpose of getting a correct abstract of the Sales Ledger.

BOOK.

(STUB.)

ON ACCT. TOTAL AMT.	ON ACCT. HOUSING.	CASH. COAL.	CASH. HOUSING.
4 75	25		
		5 94	32
4 71			
9 46	25	✓ 5 94	✓ 32
9 46			
	25		
	9 21		
9 46	9 46		

(These Coupons are to be signed by customer and returned to office by driver.)

TODD & WALSH, Coal Dealers,
153 Pearl St., Newton, O.

573. May 1, 189–.
James Morton,
142 E. Seneca St.
1 ton Chestnut.
Teamster, Condon.
Received, James Morton. Housed.

TODD & WALSH, Coal Dealers,
153 Pearl St., Newton, O.

574. May 15, 189–.
Mrs. W. J. Parmer,
1472 Pearl St.
2500 lbs. Stove.
Teamster, Mann. PAID.
Received, W. J. Parmer. Housed.

TODD & WALSH, Coal Dealers,
153 Pearl St., Newton, O.

575. May 31, 189–.
Booth & Co.,
Factory, 18 Ohio St.
2900 lbs. R. O. M.
Teamster, Self.
Received, Brown, Teamster.

TODD & WALSH, Coal Dealers,
153 Pearl St., Newton, O.

576. 189–.

(These Coupons are to be left at house by driver with each load.)

TODD & WALSH, Coal Dealers.
153 Pearl St., Newton, O.

573. May 1, 189–.
James Morton,
142 E. Seneca St.
1 ton Chestnut.
Teamster, Condon.
Housed, 25¢.

TODD & WALSH, Coal Dealers,
153 Pearl St., Newton, O.

574. May 15, 189–.
Mrs. W. J. Parmer,
1472 Pearl St.
2500 lbs. Stove.
Teamster, Mann. PAID. Housed, 32¢.

TODD & WALSH, Coal Dealers,
153 Pearl St., Newton, O.

575. May 31, 189–.
Booth & Co.,
Factory.
2900 lbs. R. O. M.
Teamster, Self.

TODD & WALSH, Coal Dealers,
153 Pearl St., Newton, O.

576 189–.

ANTHRACITE AND BITUMINOUS COAL.

RETAIL PRICES.

DATE, MAY 1, 189–.	In Yard.	Delivered.	Half Ton.	Quar. Ton.	Bushel.
Grate,	4 25	4 50	2 35	1 30	20
Egg,	4 25	4 50	2 35	1 30	20
Stove,	4 50	4 75	2 45	1 35	25
Chestnut,	4 50	4 75	2 45	1 35	25
Pea,	3 25	3 50	1 95	1 10	15
Run of Mine,	2 25	2 50	1 35		10
Lump,	2 50	2 75	1 50		11
Smithing,	3 50	3 75	2 00	1 15	15
Housing,		25	15	10	

[98] The student is recommended to make a copy of the above Price List and keep it before him in working the set. This will prevent him having to turn back to this page to get prices. [99] The prices for half ton and quarter ton given include cost of delivery, which is the same for fractions of a ton, when hauled separately, as for a ton. [100] When Coal is delivered in more than ton loads, the cost of the load is determined by multiplying the quantity by the price per ton, delivered. [101] When Coal is sold in yard, the "In yard" prices should, of course, be used. [102] Prices by the bushel are given in the above Price List to show that Coal is sometimes sold in that way; but as no sales are made by the bushel in the set it will not be necessary for the student to copy the prices in the bushel column on his price list.

MEMORANDA OF TRANSACTIONS FOR MAY.

MONDAY, MAY 1, 189–.

H. H. Thompson and Edward West formed a copartnership Monday, Apr. 24, under the firm name of Thompson & Co., for the purpose of conducting a Retail Coal business, and have this day paid in their respective shares of the capital in cash, 5000.00 each. (*Enter in Cash Book. See 94–96, page 125.*)

Lease office and yard at No. 10 Niagara St., for a term of 5 years, of H. Hulbert, at 600.00 per annum. Pay 1 month's rent in advance, in cash. (*C. B. Expense acct.*)

Deposit cash, 9500.00, in First National Bank. (*Enter on stub of Check Book only.*)

Pay cash for blank books bought of A. B. Garner & Co., for use of business, 20.00; also for pens 50¢, ink 50¢, stationery 75¢, for office use. (*Expense acct.*)

Engage the following help: Miss Julia Porter, bookkeeper, 8.00 per week; John Weldon, teamster, 10.00 per week. (*Memorandum only.*)

As Coal delivered is charged 25¢ per ton extra, it would be proper to charge Coal account with the cost of horse feed, etc., and for the services of the teamster. The method usually adopted, however, where the teamster is hired by the day, week, or month, is to enter such items in "Cartage" account. At the end of the month the footings of the memorandum column headed "Cartage" in the Weigh Book is compared with the Cartage account in the Ledger, the object being to see if the delivery of Coal costs more per ton than the calculated price. In this way the prudent business man keeps track of his business. Should he find that his sales are not large enough in the aggregate to warrant keeping a horse for delivery, he would, of course, hire his carting at so much per load. Whenever the books are closed Cartage account is closed into Coal account. (*See 32, page 122, and 51, page 123.*)

Buy of H. W. Green, horse and wagon for cash, 250.00. (*Horse and Wagon acct.*)

Buy of Williams & Co., per check No. 1, two sets of harness, 85.00. (*Horse and Wagon acct. Enter on stub of Check Book only at this time.*)

Receive 10 carloads of Coal from Beemis Bros. & Co., Scranton, Pa., shipped, Apr. 26, and for which manifests were received Apr. 27. The invoice is dated Apr. 26, on acct., 30 days. Following is the detail:

Car No. 8753, W., 10 T., 8 cwt. Grate.	Car No. 352, P. R. R., 10 T., 1 cwt. Stove.
Car No. 875, Penn., 10 T., 2 cwt. Nut.	Car No. 821, P. R. R., 10 T., 3 cwt. Stove.
Car No. 942, Penn., 10 T., 3 cwt. Nut.	Car No. 954, P. R. R., 10 T., 2 cwt. Stove.
Car No. 2285, L. V. R. R., 10 T., 2 cwt. Nut.	Car No. 273, P. R. R., 10 T., 1 cwt. Stove.
Car No. 854, L. V. R. R., 10 T., 3 cwt. Egg.	Car No. 822, P. R. R., 10 T., 2 cwt. Stove.

The Grate and Egg Coal are each invoiced at 3.50 per ton, and the Nut and Stove at 3.75 each per ton. Amount of invoice, 374.93. Freight on account of shipper. (*Enter in Purchase Book, commencing with manifests, and fill out Stock Record, Accounts Payable Record and the memorandum account at the right. See illustration and explanation, pages 124, 125.*)

Remember, that in entering the Coal in the stock columns, 10 tons, 8 cwt. are entered thus: T. 10 Cwt. 08. To calculate Coal rapidly consider it as tons and decimals of a ton. In the foregoing, to change 8 cwt. to the decimal of a ton, divide the 8 cwt. by 2, and then multiply the quantity by the price: $10.4 \times 3.50 = 36.40$. So also, 30 tons, 7 cwt. $= 30.35 \times 3.75 = 113.81$.

As Coal has usually fixed prices, and as there are only two or three different prices in a list, it is desirable to scan the prices and carry out extensions with the fewest possible figures. In the above, 10.4×3.50, multiply half the amount by twice the price, or, 5.2 by 7.00. In the second, 30.35×3.75, multiply by four times the price and divide by 4, or, $(30.35 \times 15) \div 4 = 113.81$.

The cars mentioned in this set are those known to the trade as "Jimmies," which are short open cars, and which hold about one-half as much Coal as do the long open cars. Coal is sometimes shipped in box cars, especially when the regular Coal cars are scarce.

Receive cash from Mrs. Miriam West, 828 Thirteenth St., for 2 tons Chestnut Coal. Deliver same, as per Weigh Book, stubs No. 1 and No. 2. Stub No. 1.—Gross, 2870 lbs.; wagon, 870 lbs. Teamster, Weldon. (*See illustrated W. B., on pages 126, 127. See also, 22–39, page 122. Enter carefully, as indicated, extending 1 ton into the "Nut" column, under the heading "Anthracite," at the left. See Price List, page 127.*)

Stub No. 2.—Gross, 2930 lbs.; wagon, 930 lbs. Teamster, Weldon. (*Enter same as No. 1, and mark across each stub, "Paid." Extend the amount of each stub into the cash Coal column.*)

MEMORANDA OF TRANSACTIONS FOR MAY (Continued).

Receive the following orders on contract to be delivered at the present list prices: H. J. Hunt, 529 E. Seneca St., 12 tons Stove; W. E. Budlong, 1520 Niagara St., 10 tons Stove, 3 tons Nut, 2 tons Grate; Mrs. Mary Timmerman, 85 Pearl St., 5 tons Stove, 3 tons Nut. (*Open an account with each of the above in the Sales Ledger, and enter the contract in memorandum at left of Ledger heading. See 67–74, page 123. See also, illustration of Sales Ledger, page 126. Give each account one-fourth of a page space.*)

Deliver the order of H. J. Hunt, for 12 tons of Stove Coal. Deliver 12 tons, 5 cwt., from car No. 821, which is invoiced at 10 tons, 3 cwt., gross ton weight. (*Enter in W. B., stub No. 3.—12 tons, 5 cwt., and extend amount into "total amount" money column and the quantity into "Stove" column. See 100, page 127. Write on bottom of stub, "Weighed and delivered from Car No. 821, P. R. R."*)

It will be noticed that the car is invoiced at 10 tons, 3 cwt., and that the customer is charged for 12 tons, 5 cwt. This is due to the Coal being invoiced in gross tons, and sold in net tons, and also to the car "over-running" in weight, which is often the case. The car was weighed on the track scales. Dealers fill all 10 ton contracts and over from cars, if possible, as this saves an expense of one handling of the Coal. Some dealers do not have track scales and consequently are obliged to rely upon the weights given in the manifests, or else weigh out each load the same as if it were taken from the yard.

Receive from Beemis Bros. & Co., manifests for 6 cars of Coal, shipped on April 28, as follows:

Car No. 526, L. V. R.—10 T., 5 cwt., Stove.
Car No. 820, L. V. R.—10 T., 3 cwt., Stove.
Car No. 291, P. R. R.—11 T., 2 cwt., Stove.
Car No. 800, Empire.—10 T., 9 cwt., Nut.
Car No. 141, B. & O.—11 T., 7 cwt., Nut.
Car No. 963, L. V. R. R.—10 T., 10 cwt., Egg.

Enter manifests in "When shipped," "No," "Letter" and "Name and Address" columns, but do not enter the quantity in the tonnage or stock columns. This is entered only after the Coal has been received and the manifests verified. (*See form of Purchase Book, pages 124, 125.*)

Deliver to Mrs. M. C. Russell, 148 Main St., and house, 1 ton Chestnut Coal, for cash. Gross, 2896; wagon, 896. Per. Weldon. (*W. B., stub No. 4, cash Coal and cash Housing columns.*)

H. H. Thompson has drawn cash, 25.00, from the business, for private use, by check No. 2. (*Ck. B. only.*)

Sell Mrs. Maggie Wyman, 82 E. Seneca St., on account, 1 ton Stove, same to be housed. Gross, 2901; Wagon, 901. (*Stub No. 5, W. B., and mark "Housed." See Weigh Book, page 126. Enter the full amount in the "total amount" column, and 25¢ in left-hand "Housing" column.*)

Pay Ned Wilkinson 25¢ for carrying in the 1 ton of Coal delivered to Mrs. Wyman. (*C. B., Housing acct.*)

Short extend, on one line, such items as the above until the close of the day.

Pay cash for pins, 10¢; postage, 50¢; pads, 25¢. (*Expense account; short extend.*)

Deliver and house the following ton loads of Coal, on account: Mary Carr, 85 Niagara St., 1 ton Stove, gross, 2893, wagon, 893. James D. Hunt, 96 Pearl St., 1 ton Nut, gross, 2886, wagon, 886. E. L. Bannister, 718 E. Seneca St., 1 ton Egg; gross, 2904, wagon, 904. Mark Simons, 821 Niagara St., 1 ton Grate; gross, 2815, wagon, 815. (*Enter in W. B., stubs Nos. 6 to 9, inclusive. Extend the full amount in each case in "total amount" column, and 25¢ in on account "Housing" column.*)

Pay Ned Wilkinson, for housing, W. B., stubs 6 to 9, inclusive, 1.00, in cash.

Foot and rule the *cash* columns in the Weigh Book, and carry the footings to the Cash Book. Extend the footing of the cash Coal column into the special Coal column, and extend the footing of the cash Housing column into the General column. Foot the short extended items in the Cash Book, and carry the footings into their proper columns. Copy the entries appearing in the Check Book for the day, into the Cash Book. Next, foot the Cash Book in pencil, and prove the cash. The cash in safe is 190.65.

Remember, in proving the cash, to add the amount in safe to the amount in bank. The sum of these two items should agree with the difference between the sides of the Cash Book. Do not balance or rule the Cash Book.

Now post the items appearing in the General column of the Cash Book,—those on the left-hand side to the credit of their respective accounts, and those on the right-hand side to the debit of their accounts in the main Ledger. Open a Private account with H. H. Thompson. Give each account 10 lines space. Do not post the footings of the special columns in the Cash Book at this time.

MEMORANDA OF TRANSACTIONS FOR MAY (Continued).

There is no posting to be done at this time from the Purchase Book.

Post from the Weigh Book the sales for the day made on account. Debit each customer in the Sales Ledger for the *amount* of the sale where the sale is of even tons or fractions of a ton, and not made on contract. Debit each customer in the Sales Ledger for the *quantity*, in pounds, when the sale is made on contract. (*See illustration, page 126.*) Give each account one-fourth page space. The credits from the Weigh Book will not be posted until the end of the week, which in this set represents a month.

TUESDAY, MAY 2, 189–.

Sell M. Moore, 315 Vine St., for cash, ½ ton Stove; deliver and house. Gross, 1903; wagon, 903.

Pay Emmons & Drake, for bill of horse feed, in cash, 10.75. (*C. B., Cartage acct.*)

Pay Roy & Co., in cash, for their bill of office furniture, 110.00. (*C. B., Furniture acct.*)

Receive order from Nellis & Burton for 13 tons Stove, to be delivered at present list price. Receive cash on same, 25.00. (*Open an account with Nellis & Burton in Sales Ledger, make memorandum of contract, and enter the payment in the Cash Book. Credit Nellis & Burton, on acct., 25.00, and extend the amount into the Accts. Rec. column.*)

Pay cash to David Barrett, for office sign, 15.00. (*C. B., Furniture acct.*)

Sell to John Smith, Stove Coal, in yard for cash. Gross, 1868; wagon, 618. (*See 101, page 127.*)

Rent lock box at P. O. for three months, and pay rent on same in cash, 75¢. (*C. B., Expense acct.*)

Pay for daily paper —"Express"— 1 mo., 50¢; soap, 10¢; dipper, 25¢.

Remember to short extend such items as the above.

Place the following contracts for Coal: Jas. K. Davies, 243 E. Seneca St., 5 tons Grate, 5 tons Stove, 5 tons Nut, to be delivered. Bronson Furnace Co., 854 W. Seneca St., 10 car loads Run of Mine, 10 tons Stove, in yard. Belding & Hill, 120 E. Seneca St., 10 tons Nut, 10 tons Stove, to be delivered and housed. John C. Bliss, 273 W. Seneca St., 4 tons Stove, 4 tons Nut, to be delivered. John Hall, Black Rock, to be delivered in yard, 10 tons Egg. All of the above at present prices. (*Open accounts and enter contracts.*)

The 6 car loads of Coal from Beemis Bros. & Co., shipped on Apr. 28th, as per manifests entered on the 1st inst., have been received, weighed, and the invoice, dated Apr. 28 on acct. 10 days, has been checked off. The Stove and Nut are invoiced at 3.75 per ton and the Egg at 3.50. Amount of invoice, 236.63. (*Fill out remainder of record in Purchase Book by entering into "When Rec'd" and "When Due" columns, and Memo. Acct. as well as Stock Record. See illustration, pages 124, 125.*)

Receive manifests and invoice, dated Apr. 30, of Bituminous Coal ordered of Kinney & Co., Erie, Pa., on Apr. 26th, and shipped Apr. 30th; terms, on acct., 10 days, net, as follows:

Car No. 148, L. V. R. R., 10 T., 8 cwt., R. O. M.	Car No. 888, L. V. R. R., 10 T., 17 cwt., R. O. M.
Car No. 115, " 10 T., 3 cwt., R. O. M.	Car No. 223B, Penn. R., 10 T., 2 cwt., R. O. M.
Car No. 1822, " 11 T., 2 cwt., R. O. M.	Car No. 116W, Penn. R., 10 T., 6 cwt., R. O. M.
Car No. 852, " 10 T., 9 cwt., R. O. M.	Car No. 850, Penn. R., 10 T., 10 cwt., R. O. M.
Car No. 1123, Penn. R., 10 T., 3 cwt., R. O. M.	1 Car No. 1162, L. V. R., 10 T., 2 cwt., Smith.
Car No. 752, " 11 T., 11 cwt., R. O. M.	1 Car No. 827, Penn. R., 10 T., 7 cwt., Lump.

The Run of Mine is invoiced at 1.50, the Smithing, at 2.25, and the Lump at 2.00. (*See notes, page 128.*)

You will now prove the Cash Book and post the entries for the day. Cash in safe, 83.71. See instructions at the end of the memoranda for the preceding day. Credit the item appearing in the Accts. Rec. column of the Cash Book to its proper account in the Sales Ledger.

WEDNESDAY, MAY 3, 189–.

Deliver the following Coal, on account: W. B., stub No. 12, John Hall, Black Rock, in yard from car No. 963, 11 T., 10 cwt. Egg. (*See contract in Sales Ledger.*) W. B., stubs Nos. 13 and 14, Belding & Hill, 120 E. Seneca St., from car No. 875, 11 T., 9 cwt. Nut; from car No. 820, 12 T., 2 cwt. Stove, housed. Housing, 2.90 and 3.00. (*See delivery to H. J. Hunt, page 129.*)

MEMORANDA OF TRANSACTIONS FOR MAY (Continued).

Deliver Stove Coal to W. E. Budlong, 1520 Niagara St., to apply on contract as follows:

W. B., stub No. 15.—3075 lbs.; wagon, 875 lbs. | W. B., stub No. 17.—3140 lbs.; wagon, 840 lbs.
W. B., stub No. 16.—3150 lbs.; wagon, 850 lbs. | W. B., stub No. 18.—3150 lbs.; wagon, 850 lbs.

(*Enter in W. B., stubs Nos. 15 to 18, inclusive. Extend into stock columns. On stub No. 18 write in red ink, "to apply on contract No. 15," and extend the total amount into the money column.*)

Deliver Stove Coal at contract price, to Mrs. Timmerman, 85 Pearl St., as follows:

W. B., stub No. 19.—3060 lbs.; wagon, 860 lbs. | W. B., stub No. 21.—3150 lbs.; wagon, 850 lbs.
W. B., stub No. 20.—3150 lbs.; wagon, 850 lbs. | W. B., stub No. 22.—3040 lbs.; wagon, 840 lbs.

Deliver to Carroll & Newman, 53 Oxford St., from car No. 942. W. B., stub No. 23,—12 T., 7 cwt., Nut, per Weldon.

Sell for cash to John Holmes, 1113 E. Bridgeport St., and house, W. B., stubs Nos. 24, 25, 26 and 27, 1 ton each Stove Coal; wagon, each load, 820 lbs., per Weldon. W. B., stubs Nos. 28 and 29, 1 ton each Egg Coal; 30 and 31, 1 ton each Nut Coal; wagon, each load, 800 lbs., per Weldon.

The 12 car loads Bituminous Coal from Kinney & Co. have arrived; Coal weighed and manifests verified. Deliver 10 cars of same to Bronson Furnace Co., on their side track—105 tons, 11 cwt., R. O. M., at yard prices. (*Enter same in W. B., stub No. 32, for account Bronson Furnace Co. Complete entry in Purchase Book for Kinney & Co.*)

Deliver to Bronson Furnace Co., on their side track car No. 822, 10 T., 2 cwt. Stove.

Where Coal is sold in car lots "on the track," the practice is to give the purchaser the benefit of the gross ton weights, and also of any "over-running" in weights, hence the above charge to Bronson Furnace Co. on the basis of the weights given in the manifest.

Sell to Moore & Warner, in yard, 7 tons, 15 cwt. Stove Coal, and receive cash for same.

Pay for housing the coal delivered to Belding & Hill, 5.90, and to John Holmes, 2.00, in cash.

Sell Coal for cash, and deliver to the following persons: Jas. D. Comstock, 413 Michigan Ave., 1 ton Nut, housed; wagon, 850 lbs. Mrs. L. B. Price, 143 Niagara St., 1 ton Stove, housed; wagon, 890 lbs. James M. Mason, 454 Main St., 1 ton Grate, housed; wagon, 830 lbs.

Pay the following freight bills: On Beemis Bros. & Co's. shipment of Apr. 26, rec'd May 1, 10 cars, 91.22; for their shipment, Apr. 28, rec'd May 2d, 6 cars, 47.97; total for their account, 139.19. On the 12 cars rec'd from Kinney & Co., shipped April 26th, 88.20. Pay cash, 91.22; balance, per check, 136.17. (*C. B., Acct. Pay., Beemis Bros. & Co., 91.22. Ck. Bk., Beemis Bros. & Co., 47.97; Kinney & Co., 88.20.*)

At the time of entering in the Cash Book and Check Book bear in mind to make the necessary explanations. After the Check Book entries have been copied into the Cash Book the items are posted to the Accounts Payable Account, and also in the Purchase Book. (*See illustration, page 125.*) Be sure to enter the freight on each invoice immediately opposite the amount of the bill, together with the date. The balance will be the amount due.

Paid cash for nails, 10¢; repairing wagon, 5.25. (*Expense.*)

Deliver Nellis & Burton, from car No. 352, 13 tons, 3 cwt. Stove Coal.

Prove the Cash Book and post the entries for the day. Cash in safe, 68.37. (*See note above.*)

THURSDAY, MAY 4, 189–.

Buy of H. Hulburt the premises now occupied, for 7500.00. Pay for same by check, 5000.00; balance on a 3 years' 5% mortgage, from date. Receive rebate on rent, in currency, for 28 days, 45.16. (*Enter in C. B. to credit of Expense, 45.16, and on stub of Check Book, Real Estate acct. 5000.00, and a memorandum of the 2500.00 mortgage.*)

Pay for housing Coal delivered to Comstock, Price and Mason, on the 3d inst., in cash, 75¢.

Receive the following collections on account: H. J. Hunt, 50.00; Mark Simons, 4.75; Mary Carr, 5.00; John Hall, 25.00; Belding & Hill, 53.00; W. E. Budlong, 20.00; Carroll & Newman, 58.66; James Hunt, 5.00; Bronson Furnace Co., 250.00. (*Enter the above in the Cash Book and extend the amounts into the Accts. Rec. column. Remember to post these items to the Sales Ledger at the close of the day's business.*)

MEMORANDA OF TRANSACTIONS FOR MAY (Continued)

Edw. West drew cash from the business per check, on private account, 50.00. (*Private acct.*)

Pay bill for advertising, 9.50, per check.

Deposit cash in bank, 500.00.

F. W. Jones & Co's bill for 1 Coal screen, 25.00, and two shovels, 2.50 each, has just been presented. Pay same per check. (*Ck. Book, Furniture acct.*)

Deliver the following Coal on account: M. L. Burton, 87 Pearl St., 1 ton Stove; wagon, 850 lbs.; teamster, Weldon. G. H. Spore, 95 Michigan Ave., 1 ton Nut, housed; wagon, 860 lbs.; teamster, Weldon. James W. Mason, 1 ton Nut, housed; wagon, 850 lbs.; teamster, Weldon.

Pay John Weldon cash, 6.67, in full for services to date. (*Cartage acct.*)

The firm now decide to sell the horse and wagon, and hereafter hire all carting. John Weldon is notified of the change, and that in consequence his services will be no longer needed. Upon a proposition made by him, the firm decide to sell him the horse, wagon, and harness on the lease-installment plan, and to contract with him for one year for their delivery of coal. The sale and contract is as follows: Horse and wagon, 275.00; 1 single work harness and 1 plated harness, 85.00. Total lease, 360.00. Terms of sale: 25.00 cash, first payment, and 25.00 per month thereafter until the whole sum and interest has been paid. Receive cash, for first installment, and deliver the property. (*Journal:— "Lease Dr. To Horse and Wagon, 360.00." C. B., "Lease, Rec'd on Lease, first p'm't., 25.00."*)

Sell for cash the horse feed remaining on hand, 8.25. (*C. B., Cartage acct.*)

Copy into your Cash Book, immediately under the other entries for the day, the payments made per check, as shown by Check Book stubs. Ck. No. 4, "Real Estate, 5000.00."

Enter in Journal from the memorandum found on the stub in connection with the above payment of 5000.00: "Real Estate Dr. To Mortg. Payable, 2500.00."

Prove the Cash Book and post the entries for the day. The cash in safe is 110.77.

FRIDAY, MAY 5, 189–.

Sell for cash, and deliver and house, the following tons of Coal: Mrs. Mary James, 417 Michigan Ave., 1 ton Nut; wagon, 850 lbs.; per Weldon. L. W. Parsons, 173 Niagara St., 1 ton Grate; wagon, 850 lbs.; teamster, Weldon.

Receive the following orders for future delivery, and to be housed: Myron C. Davis, 128 Forest Ave., 5 tons Egg, 5 tons Stove. J. E. Lansing, 92 Front St., 3 tons Grate.

Remember to open accounts and enter contract at head of each.

Receive cash on account as follows: Nellis & Burton, 37.46; Belding & Hill, 50.00; John Hall, 20.00.

Deliver the following Coal, on account, to James K. Davies, 243 E. Seneca St.: Grate, 2850 lbs.; wagon, 850 lbs. 2860 lbs.; wagon, 860 lbs. 2850 lbs.; wagon, 850 lbs.

Remit Beemis Bros. & Co., per draft on New York, for amount of invoice No. 1, April 26, 374.93, less freight heretofore paid, 91.22. Buy draft at bank per check, and attach freight bill, 91.22, to the draft. Exchange on draft, 50¢. (*Enter the above in the Check Book. At the close of the day extend the amount of the draft into the Accts. Pay. column of the Cash Book and post to Purchase Book. Charge the Exchange to Expense account.*)

Prove the Cash Book and post the entries for the day. The cash in safe is 227.98.

SATURDAY, MAY 6, 189–.

Received cash on account, as follows: Maggie Wyman, 5.00; M. L. Burton, 4.75; E. L. Bannister, 4.75; Mrs. Timmerman, 10.00.

Deliver M. C. Davis, on contract, as follows: Egg Coal, and house, 2850 lbs.; wagon, 850 lbs. 2850 lbs.; wagon, 850 lbs. Stove, 2860 lbs.; wagon, 860 lbs.

Deliver 1 load of Grate Coal to J. E. Lansing, on contract, as follows: 2860 lbs.; wagon, 860 lbs.; to be housed.

MEMORANDA OF TRANSACTIONS FOR MAY (Continued).

Remit Kinney & Co., per draft on New York, for amount of invoice No. 3, April 30, 201.76, less freight charges. Buy draft by check. Exchange, 50¢. (*See remittance to Beemis Bros. & Co., page 132.*)

Pay Thos. Brown, for housing, per W. B., stubs 4 and 10, 40¢, in cash.

Pay Miss Julia Porter for one week's services as book-keeper, 8.00, in cash.

Pay gas bill to date, per check, 3.50.

The amount due Weldon, for cartage, is as follows: W. B., stubs No. 42 to No. 50, 2.25; housing, as per W. B., stubs 40, 41, 42, 43, 47–50, 2.00.

Pay Weldon for carting and housing of Coal as per contract, in cash, 4.25. (*C. B. Charge Housing, 2.00, and Cartage, 2.25.*)

In actual business Weldon would carry a pocket pass book, in which would be entered each load as sent out.

Prove the cash and post the day's business. The cash in safe is 239.83. Balance, foot and rule the Cash Book and post the footings of the special columns.

You will now foot the amount column of the Purchase Book and post the footing to the Main Ledger, "Coal to Accts. Pay." (*See 89 and 90, page 125.*) Next foot the "On account" columns of the Weigh Book and post the footings, "Accts. Rec. To Coal and Housing." (*See 10 to 15, page 122.*) Next foot the stock columns of both Purchase Book and Weigh Book, preparatory to determining the inventory. (*See 52, 53, page 123, and 84 to 87, page 124.*) Since all of the R. O. M. coal was sold by gross weight there is no change to be made in the footing of the R. O. M. column of the W. B. Subtract 10 T. 2 cwt. from the footing of the Stove column of the W. B. for the sale of Stove coal by gross weight, the balance will represent the sales of Stove in net tons. Change this balance to equivalent gross weight, to which add 10 T. 2 cwt., and the sum will represent the sales of Stove for the week in gross tons. In changing from net tons to gross tons, if there be a remainder of 56 lbs. or over, add another hundred weight; if less than 56 lbs. drop the remainder. Next change the footings of the remaining columns of the W. B. to gross ton equivalents. Next deduct the gross ton sales as shown by the Weigh Book from the gross ton purchases as shown by the Purchase Book (*see illustration of Purchase Book, page 124*), the remainder will represent the quantity that should be on hand. Rule the stock columns of the Purchase Book and bring down the inventory below the rulings. Rule the Weigh Book as illustrated on page 123.

INVENTORY.

Coal: Lump, 10 T. 7 cwt.; Smithing, 10 T. 2 cwt.; Grate, 4 T. 3 cwt.; Egg, 5 T. 18 cwt.; Stove, 14 T. 7 cwt.; Nut, 21 T. 19 cwt., at cost. Furniture, at cost. Real Estate, at cost. Expense: office books, etc., 17.50.

You will now make out a balance sheet and close the Ledger. Your net gain is 226.48. Do not close the partners' private accounts into their investment accounts, but treat them as resources. Close the Loss and Gain account into the partners' private accounts. Take an abstract of the Sales Ledger and prove by comparing the balance of it with the balance of the Accts. Rec. acct. in the Main Ledger. Next take an abstract of the Purchase Book and prove the same by comparing the balance of it with the balance of the Accts. Pay. acct. in the Main Ledger.

QUESTIONS FOR REVIEW.

Page 122.—What books are used in this set? Which are main books? Describe the Weigh Book. What is the advantage of using the Weigh Book as a main book? Describe the forms of the duplicate stubs and explain their uses. How and when is the posting done from this book? Page 123.—What use is made of the special columns on back of the stub of the Weigh Book? Describe the Daily Cash Balance Book and explain its use. Describe the Sales Ledger used in this set and explain its use. Page 124.—Describe the Purchase Book. What books are combined in this book? What accounts are posted from this book? Explain the uses of the following columns: Manifest, Stock Record, Accounts Payable, To Whom Due. How is the inventory determined in this set? How else may it be determined? Page 125.—Describe the Main Cash Book used in this set and tell how the posting is done from it. Review the notes and instructions in the memoranda of transactions, and be prepared to answer any questions on them.

WHOLESALE AND RETAIL LUMBER BUSINESS

ALSO ILLUSTRATED FORMS OF BOOKS ADAPTED TO THE BUSINESS OF

MANUFACTURING AND JOBBING LUMBER.

[1] This set illustrates a method of book-keeping for a Wholesale and Retail Lumber Business. Illustrated forms are given of the special, main, and auxiliary books, on pages 136–139.

[2] **The Main Books** used in this set are Main Cash Book, Sales Book, Accounts Payable Book, Journal, Main Ledger, Sales Ledger and Purchase Ledger. [3] The Main Ledger may be divided into three divisions, instead of keeping three separate books.

[4] **The Auxiliary Books** are Order Book, Price List, Pay Roll, Petty Cash Book, Moulding List and Bill Book.

[5] For a manufacturing and jobbing business a Market Ledger and a Log Measure Book will be required, in addition to the above books. (*See illustrations of Market Ledger and Log Measure Book on page 137, and special notes on Cash Book, Sales Book and Accounts Payable Book foot of page 136.*)

[6] **The Order Book** in this set is purely an auxiliary book and cannot be used as a main book on account of the peculiarity of the business. In the illustrated Order Book, given on page 136, let the student examine the order of A. L. Dye & Son. The order is left to be delivered at the Mason job on Seneca Street. The first item: "2 loads 2″ x 6″—13′ Hem.," means 2 loads of Hemlock, dimension lumber, 2 inches thick by 6 inches wide and 13 feet long. Inch is indicated thus ″, and foot thus ′.

[7] A standard Hemlock board is 9 inches wide, 1 inch thick and 13 feet long. Hence, "1 Hem. board 6″ wide, @ 12¢ *means* on a basis of the standard board. The price for a 6″ board would be ⅔ of 12¢, or 8¢. The third item: 2 Doors, 2′ 6″ x 6′ 6″—1¼″, No. 2, is for two number 2 doors, 2 feet 6 inches *wide* by 6 feet 6 inches *long* and 1¼ inches *thick*.

[8] One order may require several loads for delivery on different dates, before it is filled. [9] The yard man usually carries a pocket sales book in which he enters the details of each load. [10] At the end of the day's business this book is copied into the Sales Book. [11] Sometimes an order blank is given to the yard man to be returned when the order is filled. These blanks are sometimes bound in book form with stub, and numbered consecutively. [12] The stub in such cases may serve as a Sales Book.

The Sales Book.—[13] The peculiar feature of the Sales Book is the manner of recording sales. Perhaps the entry clerk finds in the pocket sales book or on the order blank, an entry like the following: A. B. Loomis & Co., 6. 2″ x 10″—13′; 5. 2″ x 6″—15′; 3. 3″ x 4″—18′; 2. 2″ x 9″—16′; 2. 3″ x 8″—16′; 4. 5″ x 8″—15′; 5. 2″ x 9″—20′, Hem.

He must copy into the Sales Book and convert into feet, and from the list get the prices, as follows:

A. B. Loomis & Co.					
6. 2″ x 10″—13′ Hem.—130 ft.,		12.00	1	56
5. 2″ x 6″—15′ "	75			
3. 3″ x 4″—18′ "	54			
2. 2″ x 9″—16′ "	48			
2. 3″ x 8″—16′ "	64			
4. 5″ x 8″—15′ "	200			
5. 2″ x 9″—20′ "	150	591 ft.,	15.00	8	87
				10	43

[14] In entering the number of pieces, most lumber dealers place a period after the quantity instead of writing the word "pieces" or the contraction "pcs." As 6. for 6 pieces; 5. for 5 pcs., etc. (*See entry above.*)

[15] **Explanation of Sales Book.**—In the second item — 5 pcs. 2″ x 6″— 15′ long, it is evident that for each running foot there is one foot of lumber, Board Measure, and that in each piece there are 15 feet of lumber, or, 75 feet in the five pieces. In the first item — 6 pcs. 2″ x 10″ — 13′ — it is evident that there are 1⅔ feet lumber for each running foot ($2 \times 10 \div 12 = 1\frac{2}{3}$) and $6 \times 1\frac{2}{3} \times 13$ ft. $= 130$ ft. But instead of multiplying as given, the entry clerk considers the pieces, inches and feet as so many factors,

the product of which, divided by 12, will give the number of feet. This would be $6 \times 2 \times 10 \times 13 \div 12 = 130$. But he scans the work and, cancelling the 6 and 2 *mentally*, he says: "10×13 ft. $= 130$ ft." In the second he drops the 2 and the 6 (factors of 12) and says "5×15 ft. $= 75$ ft." In the third, he drops the 3 and 4 and says: "3×18 ft. $= 54$ ft." In the fourth, he drops, a 3 out from the 9 and a 4 from the 16, and says: "$2 \times 2 \times 3 \times 4 = 48$ ft." In the fifth, he drops the 3 and a 4 out of the 8 and says: "$2 \times 2 \times 16 = 64$." In the sixth, he says: "$4 \times 5 \times 2 \times 5 = 200$ feet." In the seventh, he says: "$5 \times 2 \times 3 \times 5 = 150$ feet."

[16] **The Price List** is usually regulated by the Lumber Dealer's Association. [17] The entry clerk or book-keeper, when copying the pocket sales book of the yardmaster, finds, as a usual thing, no prices recorded. [18] He must look them up from the lists or from the Contract Book. [19] In the memoranda following, no prices are given. [20] The student will, therefore, consult the price list in writing up his Sales Book.

Moulding Price List.—[21] Mouldings are sold by regular numbers. [22] A diagram book showing a transverse section of each kind in stock, or a sample of each kind, is kept in the office. [23] The purchaser selects the kinds he desires from the diagrams, or from the samples, and the order is recorded without visiting the moulding shed.

[24] The **Pay Roll** combines the Time Book with the Pay Roll. [25] Instead of recording each day's work, only *lost* time is recorded. The illustration shows a total of 345.50 for the month. This should foot with Labor column in the Cash Book, on page 139. [26] The "Advanced" column of 85.00 is compiled from the Cash Book, and is for small sums advanced during the month and prior to pay day. [27] The "Balance" column foots 260.50, and, of course, is the amount remaining due and will represent the aggregate of the cash in the envelopes as put up by the cashier.

How To Pay Off.—[28] Some business concerns pay off by checks, giving to each employee a check payable to his order for the amount due him. As the check must be endorsed by the employee before he can get the money on it, it becomes, in effect, a receipt. [29] Other concerns pay off in currency, some by what is known as the envelope system.

[30] Where currency is used the book-keeper or cashier usually gets from the bank just the amount of money, and just the kind of denominations and change wanted. [31] To accomplish this he scans his pay roll name by name and records each result as follows: Suppose he has M. W. Barnes, 68.86, recorded, and W. W. Jones, 75.75, recorded. He rules columns on a tablet for 20's, 10's, 5's, 2's, and 1's for dollars, and for fractional currency, 50¢, 25¢, 10¢, 5¢, 1¢. Commencing with Barnes, he enters in his list, 3 in the column headed twenty, 1 in the five column, 1 in the two column and 1 in the one column. $3 \times 20.00 + 5.00 + 2.00 + 1.00 = 68.00$. *Fractional:* 1 in 50¢ column, 1 in 25¢ column, 1 in 10¢ column, 1 in 1¢ column; and $50¢ + 25¢ + 10¢ + 1¢ = 86¢$. For Jones — 3 twenties, 1 ten, 1 five and 50¢ and $25¢ = 75.75$. Instead of 3 twenties, 1 fifty and 1 ten could be used. In fact use the largest denominations. Then add each kind. [32] When the amount required is determined, a check is drawn for that sum, payable, usually, to "Pay Roll," and taken to the bank, together with the memorandum of denominations wanted, and cashed. [33] This cash should be kept separate from the other cash on hand, especially where the envelope system is used, so that if any mistakes are made in filling the envelopes they may be detected before paying off. (*See form of Pay Roll memorandum on page 193.*)

[34] Where the envelope system is used, the envelopes are prepared for filling after the pay roll has been made out for the week or month. [35] This is done by copying on the envelopes from the pay roll the names, or the pay roll numbers, of the employees, and usually, the amounts due them.

[36] The envelopes are filled by placing in each one the amount written upon it, the person filling the same being careful to select the largest possible denominations each time in making up the amount, so as not to run short of change. [37] When the last envelope is reached, the amount of pay roll cash remaining should exactly tally with the amount called for on the envelope. [38] If it does not so tally, then a mistake has been made in filling the envelopes. [39] To locate the mistake it will be necessary to recount the cash in the envelopes, beginning with the last one filled, and compare the amounts in them with the amounts written on the envelopes. [40] The envelopes are not usually sealed until all have been filled and the cash proven as explained above. [41] When the book-keeper or cashier pays off, for convenience the envelopes are arranged in the cash box or on the desk so that the numbers appear consecutively, when the envelopes are numbered, or so that the names appear alphabetically, when names are used. [42] The paying off is usually done by the cashier, book-keeper, foreman, paymaster or some one who is familiar with the names or numbers of the employees.

ORDER BOOK.

BROCKPORT, JUNE 1, 189–.

A. L. DYER & SON (Contractors),
Deliver to Mason Job, 156 E. Seneca St.:

✓	2 loads 2″ × 6″ — 13′ Hemlock,
	2″ × 8″ — 13′ Hemlock,
	3″ × 4″ — 13′ Hemlock,
✓	100 Hem. Boards, 9″ wide,
✓	100 Hem. Boards, 6″ wide,
✓	2 Doors 2′ 6″ × 6′ 6″ — 1¼″, # 2,
✓	10 Windows 8″ × 10″, 12 Lights,
	10 M Clear But Shingles,
✓	25 M ×××× Shingles,
✓	200′ Old Pine,
✓	300′ Box Lumber,
✓	1 load No. 1 Siding,
✓	1 load Sec. Growth Siding,
✓	1 load Spruce Sheathing,

Forward to O. B., page 10.

Due on order 10 M. C. B. Shingles.

[43] The **Log Measure Book** is one in general use at such lumber centers as Bay City, Bangor and Atlanta, and throughout the lumber camps of Michigan, Maine and Georgia. [44] Logs are bought by the *market*. A "market" means a standard log. [45] A standard log in the north woods of northern New York, is a 13 foot log, measuring 13 inches at the small end inside the bark. [46] The standard log of Michigan is a 13 foot log, 19 inches in diameter at the small end. It is evident that a log 26 ft. long is equal to two standard logs, and one 39 ft. long equals three standard logs. [47] All logs over 25 feet in length are measured in the center of the log, or equi-distant from the two ends.

How To Measure Logs.—[48] According to Doyle's Rule a market 13 inches in diameter contains 66 feet of lumber, Board Measure, and a 19 inch market, 183 feet. A very reliable rule to find the number of feet in any log is the following:

RULE.—[49] Measure the diameter of the log at the small end inside the bark. From the diameter in inches subtract four inches. Multiply the square of one-half the remainder by the length of the log in feet and divide the product by 4; the answer will give the number of feet in the log.

Example: 1 log, 13 feet long, 13 inches in diameter.

Operation: 13″ — 4″ = 9″. ½ or 4½ × 4½ = 20¼. 20¼ × 13 ÷ 4 = 66 feet. 1 log 25 feet long, 20 inches in diameter = 20 — 4 ÷ 2 = 8. 8 × 8 = 64. 64 × 25 = 1600. 1600 ÷ 4 = 400.

To Find the Equivalent in Markets.—[50] Since circles are to each other as the squares of their diameters, to find the equivalent of a log in markets, divide the sum of the squares of the diameters by the square of the diameter of the Standard Log.

In the illustration of Market Ledger, on page 137, a Market log is a 13 inch diameter. The sum of the squares of all the diameters is 3426, and this divided by the square of 13 in., the diameter of the standard log, or 169″, gives 20¼ Markets.

To Calculate Lumber.—The teacher should supplement the memoranda by giving the student considerable drill in calculating Board Measure. He should see that the student learns by scanning the items to drop or cancel 12 and carry out the amount in feet. Sometimes this cannot apparently be done, and yet there is always a short cut. [51] Take for example: 5 pcs., 2″ x 8″ — 25′. Say, 5 × 25 × 1⅓ = 167 feet (2 × 8 = 16. 16 ÷ 12 = 1⅓). Following are some of the more difficult combinations, and the short cuts in each: 10 pcs., 3″ x 20″ — 14′ = 10 × 5 × 14 = 700′ (3 × 20 = 60. 60 ÷ 12 = 5); 2 pcs., 8″ x 9″ — 30′ = 2 × 6 × 30 = 360 (8 × 9 + 12 = 6); 5 pcs., 4″ x 10″ — 17′ = 5 × 17 × 3⅓ = 283′ (*cancel 12 in 4 × 10 = 3⅓*); 3 pcs., 4″ x 5″ 26′ = 5 × 26 = 130′ (*drop 3 and 4*); 10 pcs., 2″ x 15″ — 21′ = 10 × 21 × 2½ = 525′ (*drop 12 in 2 × 15 = 2½*). (*See illustrated Sales Book, page 137.*)

Where the business is manufacturing lumber from logs bought, and from "Mill Run" cargoes, it may be desirable to keep the following divisions on merchandise account: *"Pine," "Hemlock," "Spruce," "Hard Wood," "Lath"* and *"Shingles."* In such a case rule additional columns in the *Cash Book*, the *Sales Book* and the *Accounts Payable or Purchase Book*, same as in the Coal Set.

SALES BOOK.

BROCKPORT, JUNE 1, 189–.

L. F.				EXTENSIONS.		ON ACCT.		RETURNED.	
37	A. L. Dye & Son,		At Mason Job.						
	20 pcs. 2″ × 6″ — 13′ Hem.,	260′							
	12 " 2″ × 8″ — 13′	208′							
	25 " 3″ × 4″ — 13′	325′							
		793′	12.00	9	52				
	100 Hem. Boards, 9″ wide,		12¢	12	00				
	100 Hem. Boards, 6″ wide = 66⅔ bds.		12¢	8	00				
	2 Doors, 2′ 6″ × 6′ 6″ — 1¼ # 2,		2.25	4	50				
	10 Windows, 8″ × 10″, 12 Lights,		1.75	17	50				
	25 M Clear But Shingles,		3.00	75	00				
	10 M ××××, "		4.00	40	00	166	52		
52	O. W. Warren,		At residence.						
	10 M C. B. Shingles,		3.00	30	00				
	5 M ×××× "		4.00	20	00				
	100 Hem. Boards, 6″ wide,		12¢	8	00	58	00		
37	A. L. Dye & Son,		Returned on ℅.						
	5 pcs. 3″ × 4″ — 13′ Hem. = 65′,		12.00						78
			Net sales,					223	74
13	Accounts Rec.,		224.52						
9	To Mdse.,		223.74						
	Accts. Rec.,		.78						
						224	52	224	52

LOG MEASURE BOOK.

189–.
June 1 E. W. Marion. 13 ft. long. Hemlock, 1.50 per Market.

5 — 6 — 7 — 13 — 18 — 6 — 15. 6 — 8 — 13 — 18 — 9 — 7 — 15 — 9 — 13 — 9 — 13 — 18 — 6

5 18 — 15 — 13 — 6.

The check marks placed over the figures in the Log Measure Book are posting marks.

MARKET LEDGER.

E. W. MARION.

189–.		HEMLOCK. 5″	6″	7″	8″	9″	13″	15″	18″	LENGTH. 13 ft. long.	SUMMARY. No. Logs	Diams.	Squares.	Markets.	Price.	Amt.
June	1	/	///	//	/	/	//	//	//		1	5^2	25			
			//			//	///	/	//		5	6^2	180			
											2	7^2	98			
											1	8^2	64			
											3	9^2	243			
		1	5	2	1	3	5	3	4		5	13^2	845			
											3	15^2	675			
											4	18^2	1296			
												Total,	3426	20¼	1 50	30 38
												$3426 \div 13^2$ (or 169)	= 20¼			

CASH BOOK.

DATE.	L.F.	ACCOUNT.	EXPLANATORY.	ACCOUNTS REC. CON. DIS.	ACCOUNTS REC. NET CASH.	DUST AND SHAV'S.	MDSE.	GENERAL.	BALANCE.
189–.									
June 1	J.	Edward M. Long,	Invested,					15000 00	
3		Dye & Son,	On account,		100 00				
9		Mdse.,	Per P. C. B.,				66 34		
13		Dust and Shavings,	" "			6 75			
19		Bowen & Co.,	On acct., less 2%,	1 32	64 42				
26		Mdse.,	Per P. C. B.,				27 26		
30		Dust and Shavings,	" "			7 15			
				1 32	164 42	13 90	93 60	15000 00	
		Accounts Rec.,	Total for month,					165 74	
		Dust, etc.,	" " "					13 90	
		Mdse.,	" " "					93 60	
		Discount — Contra,	" " "					17 50	
								15290 74	

PETTY CASH BOOK.

JUNE, 189–.

DATE.			RECEIVED. MDSE.	RECEIVED. DUST AND SHAVINGS.	PAID. EXPENSE.	PAID. TO SAFE.
June	1	1. 2″ × 8″ — 13′ Pine, 69¢; Lath, 40¢,	1 09			
		Dust Tickets, 4.50; 1 Load Shavings, 50¢,		5 00		
		Paid Postage, 2.00; Broom, 30¢,			2 30	
		1 M C. B. Shingles,	3 00			
		1 Load Saw Dust, 50¢; Lumber, 2.15,	2 15	50		
		800′ Old Pine, 8¢, 64.00; 1 Box Glass, 3.50,	67 50			
		Paid Stationery, 2.25; Ink, 50¢; P. O. Box rent, 35¢,			3 10	
		Lumber, 8.60; Shavings, 75¢; Dust, 50¢,	8 60	1 25		
		Mdse.,	82 34	6 75	5 40	
		Dust,	6 75			
		To Safe,				83 69
						5 40
			89 09			89 09

PAY ROLL — JUNE, 1890.

WHEN COM'CED.		NAME.	DESCRIPTION.	PRICE.	TIME.	AMT.	ADVA'CD.	BAL.	LOST TIME AND MEMO.
June	2	Mason, John	Sawyer.	2 00	24	48 00	10 00	38 00	5, 9.
	2	Brown, J. W.	Yardmaster.	75 00	1 mo	75 00	2 50	72 50	
	2	Tripp, C. W.	Yardman.	1 25	24	30 00	10 00	20 00	8, 9. Disc'd.
	2	Rice, E. M.	"	1 25	20	25 00		25 00	3, 5, 8, 9, $\frac{16}{17}$.
	2	Carr, F. L.	"	1 25	22	27 50	7 50	20 00	5, 8, 9, 10.
	2	Eddie, M. C.	Book-keeper.	100 00	1 mo	100 00	25 00	75 00	
	2	Smith, W. C.	Watchman.	40 00	1 mo	40 00	30 00	10 00	
						345 50	85 00	260 50	

CASH BOOK.

DATE.	L.F.	ACCOUNT.	EXPLANATORY.	ACCOUNTS PAY. CONTRA DIS.	ACCOUNTS PAY. NET CASH.	EXPENSE.	LABOR.	GENERAL.
189–.								
June 1		Expense,	Oil, inv. # 1,			8 90		
5		Labor,	J. Mason, time a/c,				10 00	
8		Expense,	Office books,			18 12		
10		E. M. Rice,	Inv. # 2,	6 00	300 50			
16		Labor,	J. W. Brown,				10 00	
17		Labor,	E. W. Tripp,				2 50	
18		Niles & Kinney,	On account,		78 13			
20		Labor,	W. C. Smith,				30 00	
23		J. W. Martin,	To balance account,	11 50	575 00			
24		Labor,	L. F. Carr,				7 50	
25		Labor,	M. C. Eddie,				25 00	
28		Private acct,	Family expenses,					25 00
30		Labor,	Balance Pay Roll,				260 50	
				17 50	953 63	27 02	345 50	25 00
			953.63 / 17.50					
		Accounts Pay.,	Total for month,					971 13
		Expense,	" " "					27 02
		Labor,	" " "					345 50
		Discount — Contra,	" " "					1 32
		Balance,	*In bank,* 13689.53					1369 97
			" *safe,* 231.24					13920 77
								15290 74

LUMBER PRICE LIST.

	Per M	Per Hund.	Per Foot or Piece.
Hemlock — Dimension lumber, 13′ in length and less, any size,	12 00		
Any size over 13′ long,	15 00		
Boards 1″ thick and 9″ wide,			12
Other widths in proportion.			
Sheathing — Surface measure,	18 00		
Spruce — Dimension lumber, same length as Hemlock, 3.00 per M more than Hemlock.			
Sheathing — Surface measure.	18 00		
Flooring — $1\frac{1}{4}$″, surface measure,	20 00		
Old Pine — Clear, board measure,	80 00	8 00	08
No. 1,	50 00	5 00	05
Seconds,	40 00	4 00	04
Box Lumber — 1″ thick,	28 00		
Pine Siding — No. 1, surface measure,	32 00		
Second Growth Pine Siding,	25 00		
Doors — No. 1 — $1\frac{1}{4}$″ — 2′ 6″ × 6′ 6″,			2 25
No. 1 — $1\frac{1}{2}$″ — 2′ 6″ × 6′ 6″,			2 50
No. 2 Doors 50¢ less.			
Windows — 8″ × 10″, 12 lights,			1 75
12″ × 20″, 4 lights,			2 50
Shingles — Clear Buts,	3 00		
" ×××× ,	4 00		
Lath,		40	

MOULDING PRICE LIST.

No.	*9.*	*11.*	*18.*	*25.*	*67.*	*80.*	*122.*	*123.*	*140.*	*149.*	*155.*	*160.*	*178.*	*183.*	*192.*
Price,	2¢	3¢	5¢	½¢	6¢	8¢	15¢	18¢	20¢	10¢	18¢	5¢	2¢	1¢	8¢

MEMORANDA OF TRANSACTIONS FOR JUNE.

MONDAY, JUNE 25, 189–.

Following is a statement of the resources and liabilities of Edward M. Livingstone, lumber dealer, at 418 Prince St.: RESOURCES.— Mdse. in yards, per Inventory Book, 16820.38; cash, on deposit in F. N. Bank, 4500.00, in safe, 1308.62; notes on hand, John L. Gaylord, dated June 22, at 60 da., 300.00; Myron Davis, dated April 27, at 60 da., 250.00; Conrad Moody owes on account, 278.00. LIABILITIES.— Note outstanding, favor Jackson & Co., dated April 27, at 2 mo., 500.00. (*J., C. B. and B. B. See illustration of Cash Book on page 138. Omit the Dust and Shavings column in your C. B. Use the ordinary two-column Journal in this set.*)

Make a Journal entry of equal debits and credits in one entry, crediting the proprietor for his net investment. Cash being one of the items in the Journal entry, do not post but check it, using the initials of the Cash Book as a check mark. Enter the cash in the Cash Book and check with the initial of the Journal. Enter on stub of Check Book the amount on deposit. Treat the cash in bank as if on hand. Enter in the Bill Book the notes on hand and outstanding. Open accounts in the Main Ledger and post the Journal entry. Debit Accounts Receivable for the amount due from Conrad Moody. Open an account in the Sales Ledger with Conrad Moody and debit him for the amount due.

Buy of Green & Co., the premises now occupied, as follows: Purchase price, as per warranty deed received, 8500.00; paid cash down, per check, 2500.00; balance by 6 notes, for 1000.00 each, drawn payable one, two, three, four, five and six years, respectively, from date, with interest at 6%, and secured by mortgage of 6000.00 on the property, due in six years. (*Journal, "Real Estate to Cash and Mortgage Pay." Enter also in Bill Book, Check Book and Cash Book. Check cash in the J. and the entry in the C. B.*)

Although notes are given they are not the producing factor in the above transaction, hence, Mortgage Payable is credited. When one of the above notes matures Mortgage Payable will be debited for the face of the note, as it is really a part payment on the mortgage.

The following names appear on the Pay Roll: John Farwell, yardmaster, 18.00 per week; W. C. Thomas, book-keeper, 15.00 per week; John Munroe, teamster, 2.00 per day; Thomas Kellog, John Dart, Edw. Hudson, and Harry Fowler, yardmen, 1.75 per day; Mark Browning, watchman, 10.00 per week. (*Enter in Pay Roll, see illustration, page 138. Rule a sheet of cap paper in proper form and use as a Pay Roll.*)

Pay cash for new set of office books, 15.00; for team of horses, two wagons, harnesses, etc., 350.00. (*C. B., Expense, 15.00; Horse and Wagon, 350.00.*)

The sales of the day, as shown by the pocket Sales Book of the yardmaster, are as follows: E. G. Goulder & Co., 380 E. Seneca St., 20. 3″x4″—13′; 10. 2″x6″—13′; 25. 3″x8″—13′; 16. 3″x8″—15′; 25. 2″x6″—20′, Hemlock. James W. Griffis, 428 Pearl St., 10 M C. B. Shingles, 200 Hemlock boards, 9″ wide. Milton Barnes, 829 Michigan Ave., 2000 ft. No. 1 Pine Siding; 300 feet Clear Pine. E. G. Goulder & Co., 380 E. Seneca Street, 500 ft. Hemlock Sheathing; 50 ft. Old Pine, clear; 2 doors, 2′ 6″x6′ 6″—1¼″ No. 2; 115 ft. No. 1 Pine Siding. John C. Devendorf, 1698 Pearl St., 10. 2″x8″—13′ Hemlock. E. G. Goulder & Co., 380 E. Seneca St., 2 M C. B. Shingles; 3 M XXXX Shingles; 10 bundles Lath. Crandall & Moore, 1418 E. Main St., 25. 2″x8″—18′; 10. 8″x10″—20′; 50. 2″x4″—20′ Hemlock. Crandall & Moore, Main Street job, 50. 3″x4″—18′; 100. 2″x6″—18′ Hemlock. Crandall & Moore, Main St. job, 100. 3″x4″—18′ Hemlock. Milton Barnes, Michigan Ave. job, 1500 ft. No. 1 Pine Siding. (*Enter above in the Sales Book. See illustration, page 137. Calculate amount of feet, Board measure in all dimension lumber, and in each result call any fraction of a foot a whole foot. See explanation, page 135. Get prices from price list, page 139.*)

In consulting price list remember that for all lengths of timber over 13 ft. long, the price is 3.00 per M higher. Collect under one charge in the Sales Book the three separate loads sent to Goulder & Co., and do the same with the three sent to Crandall & Co. The yardmaster records the lumber as it is sent out.

The petty receipts and payments for the day, per Petty Cash Book, are as follows: Receipts, Mdse. 15.82. Payments, expenses, 3.52. (*Enter in the Main Cash Book, and extend amounts into the proper special columns. See M. C. B., pages 138 and 139 See, also, form of P. C. B., page 138 You will not be required to keep a P. C. B. in this set.*

Prove the cash and post the entries for the day. The cash in safe is 955.92. Do not balance or rule the Cash Book until the end of the week. Omit the contra discount items in proving the cash.

Post to the General Ledger from the Cash Book only the items appearing in the General columns.

MEMORANDA OF TRANSACTIONS FOR JUNE (Continued).

Post from the Journal to the General Ledger as heretofore. Post from the Sales Book to the Sales Leger as follows: Debit each customer for the amount of his purchase, and credit each customer for the amount of the goods returned by him. Give all accounts one-fourth of a page space.

TUESDAY, JUNE 26, 189–.

Receive the following order from E. G. Goulder & Co., to be delivered at 915 Michigan Ave., 4 pcs. 8″x10″—21′, 4 pcs. 8″x10″—16′, 40 pcs. 2″x8″—20′, 200 pcs. 2″x6″—20′, 100 pcs. 2″x4″—21′ Hemlock; 4 doors, 2′ 6″x6′ 6″—1½″ No. 1; 10 windows, 8″x10″, 12 lights; 10 windows, 12″x20″, 4 lights; 500 feet second growth Pine Siding; 500 ft. Box Lumber; 100 ft. Old Pine, "Seconds"; 300 ft. No. 1 Old Pine; 1500 ft. 1¼″ Spruce Flooring; 800 ft. Hemlock Sheathing; 10 M C. B. Shingles. (*Enter in Order Book. See illustration, page 136. Use a page of your Journal for an Order Book.*)

In all dimension lumber, which is ordered by the piece, the order can be filled just as placed. In the sale of Old Pine, Flooring, Box Lumber, etc., which are sold by the foot, or in any surface sale, the order is filled as nearly as possible, but a board is never cut in two for that purpose.

The following invoices have been verified and placed on file: Munson & Birch, Bay City, Lumber, 106.25; invoice dated June 20; terms, on acct. 30 da., 2% 10 da., "F. O. B." James M. Thompson & Co., Tonawanda, Lumber, 1057.50; invoice dated June 22; terms, 60 da., 2% 10 da., delivered. Green Island Door Co., Lansingburg, N. Y., Doors, 850.75; invoice dated June 19; terms, 30 da., net, "F. O. B." Ira D. Lockwood & Bro., Saginaw, Lumber, 315.62; invoice dated June 20; terms, 30 da., 2% 10 da., delivered. Emmons & King, Salamanca, Lumber, 827.50; invoice dated June 21; terms, 60 da., 2% 10 da., delivered. (*Enter the above in the Accounts Payable Book only at this time. Use the form of A. P. B. illustrated on page 100.*)

"F. O. B." means, free on board cars or boat (no charge for cartage), but freight is to be paid by the purchaser.

Where lumber is purchased at mills or at the camps in the lumber districts, a middleman, who is known as an inspector, operates between the buyer and seller. All graded lumber so purchased is inspected, measured, and graded by the inspector. The charges for inspection are sometimes paid by the seller and sometimes by the buyer, according to agreement. Lumber is also purchased in the way it comes from the mill,—that is before it is inspected or graded—and is known as "Mill Run" lumber.

When a cargo of lumber is received from the lumber districts it is again inspected, measured and graded for the local market. This latter inspection is not usually made by a professional inspector, as in the former case, but by the dealer, or some one of his men. Oftentimes by this regrading of lumber a good profit is made, and sometimes a loss is sustained.

As the lumber is measured and graded in unloading from the boat or car, it is "tallied"—that is, a record is made of the different kinds, of the number of pieces, and of the quantity in feet. This record is generally made in pencil on large sheets of paper specially ruled for the purpose, but sometimes it is made by means of "tally machines," which record all of the above at one operation.

Deposit cash in bank, 500.00.

Effect insurance in the Ætna Fire Ins. Co., for 1 year, as follows: On Mdse. in yards, 8000.00, at 2%; on buildings and contents, 3000.00, at 2½%. Pay the premium by check, favor H. B. Gale, Agt. (*C. B. and Ck. B., Insurance acct.*)

Receive cash from E. G. Goulder & Co., on account, 50.00. (*C. B., Accts. Rec. column. See C. B., page 138.*)

Edw. M. Livingstone draws 25.00, cash, from the business on private account. (*Open Private acct.*)

Remit Munson & Birch a New York draft for the amount of their invoice of the 20th inst., less 2% discount. Exchange, 50¢. Buy the draft by check. (*C. B. Enter the discount in the Contra Dis. column, the proceeds in the Net Cash column, and the exchange in the Expense column.*)

The entries for the day in the yardmaster's Sales Book are as follows: James Griffis, Pearl St. job, 15 Hemlock Boards, 9″; 25 ft. No. 192 moulding; 100 ft. No. 9 moulding; 30 ft. No. 123 moulding. J. C. Devendorf, Pearl St. job, 10 M C. B. Shingles; 200. 3″x4″—13′ Hemlock. Crandall & Moore, E. Seneca St. job, 2. 8″x10″—20′, 10. 8″x10″—15′, 200. 3″x4″—20′, 150. 2″x8″—16′, 300. 2″x6″—20′, Spruce. E. G. Goulder & Co. returned 5. 3″x4″—13′, Hemlock. (*Sales Book.*)

Extend the value of the lumber returned by Goulder & Co., into the credit money column in S. B.

MEMORANDA OF TRANSACTIONS FOR JUNE (Continued).

The yardmaster's time book shows that Thos. Kellog was absent all day to-day. (*Enter the absence in memorandum column of the Pay Roll.*)

The object of recording "lost time" in the Pay Roll before the end of the week or month is to guard against over payments. When it is not the practice to make advances before "Pay Day," it would not be necessary to record lost time in the Pay Roll until that book was made up at the end of the week or month.

The petty receipts and payments for the day, per P. C. B. are as follows: Receipts, Mdse., 25.43; payments, expenses, 8.52.

Prove the cash and post the entries for the day. The cash in safe is 497.83. Credit E. G. Goulder & Co. in the Sales Ledger for the cash payment. Post to Purchase Ledger from the Accounts Payable Book, same as explained in 144, page 105. (*See instructions for posting the entries for the preceding day. Use the ordinary form of Ledger for a Purchase Ledger.*)

WEDNESDAY, JUNE 27, 189–.

Receive order from E. W. Blakeslee, Schenectady, for 1500 Hemlock Boards, 9″ @ 11¢; 1 car load Hemlock Sheathing @ 17.00. (*Enter in O. B.*)

The student may notice that many sales are recorded which are not found in the Order Book. They are for sales filled at the time of ordering, and while such orders would be recorded in the Order Book in business, yet it has been deemed unnecessary to require it of the student in this set. Sufficient practice will be given the student, however, in this particular, to enable him to become thoroughly familiar with the use of the Order Book.

Receive cash from James Griffis, to apply on account, 54.00.

Pay the following freight bills, by check: On Munson & Birch's bill of Lumber, 22.10; on Green Island Door Co.'s bill of Doors, 15.30 (*Freight acct.*); on J. M. Thompson & Co.'s bill of Lumber, 13.15; on Ira D. Lockwood's bill of Lumber, 61.25; on Emmons & King's bill of Lumber, 12.10. (*Accts. Pay. acct. Detail the items in the Cash Book, and post the last three items to Purchase Ledger. Enter also in Accounts Payable Book*)

As the student will see by referring to his Accounts Payable Book the Mdse. bought of Munson & Birch and The Green Island Door Co., was purchased "F. O. B.," and therefore the purchaser must stand the freight. In the case of the other three bills the freight is to be charged to the shipper, as the Mdse. was sold, "delivered."

Advance cash to employees, as follows: To John Farwell, 3.00; to W. C. Thomas, 2.00. (*Enter in "Advanced" column of Pay Roll; also in Cash Book. Charge Labor acct. in C. B.*)

Short extend payments like the above in the explanatory column of the Cash Book.

Receive the following order from E. G. Goulder & Co., to be delivered at 915 Michigan Ave.: 4 doors, 2′ 6″x 6′ 6″—1½″, No. 1; 10 windows, 8″x 10″, 12 lights; 10 windows, 12″x 20″, 4 lights; 500 ft. S. G. Pine Siding; 500 ft. Box Lumber; 100 ft. Old Pine, "Seconds"; 300 ft. Old Pine No. 1.; 1500 ft. Spruce Flooring, 1¼″; 800′ Hemlock Sheathing; 10 M C. B. Shingles. (*O. B.*)

Receive cash from Crandall & Moore, to apply on account, 50.00.

Buy a New York draft by check and remit it to James M. Thompson & Co., for the amount of their invoice of the 22d inst., less freight charges on the shipment, and 2% on the amount of the invoice. Exchange, 1.50. (*C. B. Contra Disct., Net Cash, and Expense columns.*)

The yardmaster's Sales Book shows the following sales for the day: Crandall & Moore, E. Seneca St. job, 20 window frames, @ 1.75; 20 windows, 12″x 20″, 4 lights. J. C. Devendorf, Pearl St. job, 100 Hemlock Boards, 4″ wide; 200 Hemlock Boards, 5″ wide. Milton Barnes, 892 Michigan Ave., 10 M XXXX Shingles. E. G. Goulder & Co., E. Seneca St. job; 4. 8″x 10″—21′, 4. 8″x 10″—16′, 40. 2″x 8″—20′, 200. 2″x 6″—20′, 100. 2″x 8″—21′, Hemlock. E. W. Blakeslee, Schenectady, N. Y., per M. C. R. R., car 3785 Empire Line, 1500 Hemlock Boards, 9″ wide. (*See O. B. for price.*) Green & Rocy, 828 Ohio St., 50′ Clear Pine; 25 Hemlock boards, 9″; 200′ Hemlock Sheathing. G. Levore & Co., 1382 Niagara St., 10. 2″x 6″—13′, 25. 3″x 8″—13′, 40. 2″x 8″—21′, 75. 3″x 4″—17′, Spruce.

The window frames are not on the price list. They are made to order and charged for at cost of material and labor. To determine the cost of a 4″ Hemlock board, find ⅘ of the price of a 9″ board.

Make draft on E. W. Blakeslee at 10 da. from date, favor F. N. Bank, for amount of above shipment. Attach $^{B}/_{L}$ to draft and discount at bank at 6%; proceeds to your credit. (*Credit E. W. B. in the Cash Book for the face of the draft, and debit Discount.*)

MEMORANDA OF TRANSACTIONS FOR JUNE (Continued).

The footings of the P. C. B. are as follows: Mdse., 92.16. Expenses, 7.50.

Prove the cash and post the entries for the day. The cash in safe is 681.49.

THURSDAY, JUNE 28, 189–.

Receive cash of Crandall & Moore, on account, 200.00; of Milton Barnes, in full of account; of G. Levore & Co., on account, 50.00.

Discount at F. N. Bank, at 6%, John L. Gaylord's note and receive credit for the proceeds. (*C. B. and Ck. B.*)

Advance cash to employees, as follows: John Dart, 2.50; W. C. Thomas, 2.00.

Receive order from Green & Rocy, Ohio St. job, 10 pcs. 2″x 8″— 21′, Hemlock; 24 pcs. 5″x 10″— 13′, Hemlock; 170 ft. Box Lumber.

The sales for the day, per yardmaster's Sales Book are as follows: E. G. Goulder & Co., Michigan St. job, 4 doors, 2′ 6″x 6′ 6″— 1½″, No. 1; 10 windows, 8″x 10″, 12 lights; 10 windows, 12″x 20″, 4 lights; 520′ S. G. Pine Siding; 518′ Box Lumber; 113′ Old Pine "seconds"; 318′ Old Pine No. 1; 1522′ Spruce Flooring, 1¼″; 823′ Hemlock Sheathing; 10 M C. B. Shingles. L. M. Goodyear, Fourteenth St., 5 M C. B. Shingles. Lansing & Price, E. Seneca St., 300′ Hemlock Sheathing. M. Anson, 821 Niagara St., 10 M XXXX Shingles.

The footings of the P. C. B. for the day are as follows: Mdse., 85.16. Expenses, 8.73.

Prove the cash and post the entries for the day. The cash in safe is 1179.42.

FRIDAY, JUNE 29, 189–.

Sell to Browning, Munson & Co., Batavia, the following bill of lumber and findings, and deliver, F. C. B., cars Nos. 8593, 2753, 8574, at the freight depot of the Erie R. R.: 4 pcs. 8″x 10″— 24′, 4 pcs. 6″x 8″— 16′, 20 pcs. 2″x 8″— 15′, 40 pcs. 2″x 10″— 18′, 100 pcs. 2″x 6″— 21′, 400 pcs. 3″x 4″— 16′, Hemlock; 25 pcs. 3″x 4″— 15′, 100 pcs. 2″x 6″— 22′ Spruce; 2500′ Spruce Flooring, 1¼″; 4000′ No. 1 Pine Siding; 1225′ Box Lumber; 1500′ S. G. Pine; 15 M XXXX Shingles; 25 M C. B. Shingles; 500 Hemlock Boards, 9″; 300′ Old Pine, clear; 10 doors 2′ 6″x 6′ 6″— 1¼″, No. 1; 20 windows, 12 lights, 8″x 10″; 20 windows, 12″x 20″, 4 lights; 200′ Moulding, No. 192; 150′ Moulding, No. 140; 300′ Moulding, No. 9. Render invoice for the above sale. Make a sight draft favor of F. N. Bank, for the amount of invoice, attach $^{B}/_{L}$ to draft and deposit to your credit, less collection, 1.25. (*S. B., C. B. and Ck. B.*

Receive cash for a note due to-day.

Deposit cash in bank, 1400.00.

Remit Ira D. Lockwood & Bro. a New York draft for the amount of their invoice of June 20, less the freight charges and the agreed discount. Buy the draft at bank by check. Exchange, 75¢.

The yardmaster's Sales Book shows the following for the day: E. W. Blakeslee, Schenectady, per car No. 875, Empire Line, 10875′ Hemlock Sheathing, per O. B. Green & Rocy, 10. 2″x 8″— 21′, 24. 5″x 10″— 13′, Hemlock; 170′ Box Lumber. M. Anson, 82 Niagara St., 175′ Moulding, No. 140; 55′ Clear Pine. L. M. Goodyear, 20 Hemlock Boards, 6″. Lansing & Price, 20. 3″x 4″— 13′ Spruce; 1 door, 2′ 6″x 6′ 6″— 1¼″, No. 2.

The P. C. B. shows the following for the day: Mdse., 85.25. Expenses, 12.70.

Prove the cash and post the entries for the day. The cash in safe is 101.97.

SATURDAY, JUNE 30, 189–.

Receive cash of E. G. Goulder & Co., to balance account; G. Levore & Co., to balance account.

Pay note due to-day, by check.

Receive cash from L. M. Goodyear, to balance account.

MEMORANDA OF TRANSACTIONS FOR JUNE (Continued).

The yardmaster's Sales Book shows the following for the day: Birmingham & Ford, at store, 86 Pearl St., 3. 5″x10″—13′, Spruce. E. G. Goulder & Co., at Niagara St. depot, 20. 3″x4″—13′, 75. 3″x8″—13′, 25. 2″x8″—21′, 100. 3″x4″—20′, 150. 2″x8″—16′ Hemlock. E. G. Goulder & Co. have returned on account, 1 M C. B. Shingles, 100′ Old Pine, No. 1.

Deposit in bank, cash, 400.00.

Pay off help for the week, per Pay Roll, as follows: John Munroe, balance due, 12.00: John Farwell, 15.00; W. C. Thomas, 11.00; Thos. Kellog, 8.75; John Dart, 8.00; Ed. Hudson, 10.50; Harry Fowler, 10.50; Mark Browning, 10.00. *(C. B., Labor acct.).*

Fill out pay roll in detail (*see illustration, page 138*). The "amount due" column should foot, 95.25; the "advanced" column should foot, 9.50 (*see footing of Labor column of your Cash Book*), the "balance" column should foot, 85.75. For this balance make *one* entry in C. B.

The P. C. B. shows the following for the day: Mdse., 89.62. Expenses, 17.52.

You will now balance, rule, and foot the Cash Book and post the entries for the week. The cash in safe is 36.79, and in bank, 3363.10. Add together the footings of the Accts. Rec., Contra Discount, and Net Cash columns, and post the sum to the credit of Accts. Rec. account in the Main Ledger. Carry the footing of the Accts. Rec. Contra Discount column to the opposite side of the Cash Book and post to the debit of Discount. Post the footing of Mdse. column to the credit of Mdse. account. Add together the footings of the Accts. Pay., Contra Discount and Net Cash columns, and post the sum to the debit of Accts. Pay. in the Main Ledger. Carry the footing of the Accts. Pay. Contra Discount column to the left-hand side of the Cash Book, and post to the credit of Discount. Post the footings of Expense and Labor colums to the debit of those accounts in the Main Ledger. (*See illustration of Cash Book on pages 138 and 139.*) Foot and rule the two columns of the Sales Book and post the difference, "Accts. Rec. to Mdse." Foot the Purchase Book and post the footing, "Mdse. to Accts. Pay."

Next take off a trial balance of your General Ledger and prove Accts. Pay. and Accounts Rec. by abstracts as heretofore. Treat the partner's private account as resources, same as in the preceding set. Next, make a statement of the business and close the Ledger. Following is the

INVENTORY.

MDSE.—Unsold,	17237.08
INSURANCE.—Unearned,	230.50
HORSE AND WAGON.—At cost,	350.00
REAL ESTATE.	8500.00

The Net Gain is 112.36, which close into the partner's private accounts.

QUESTIONS FOR REVIEW.

Page 134.—What books are used in this set? Describe the Order Book and explain how it is used. Describe the Sales Book and explain its use. From what book are the entries made that appear in this book? How is the quantity of lumber in any sale determined? Page 135.—How are mouldings usually sold? Describe the Pay Roll Book and tell how it may be audited or proved. How do some business concerns "pay off," and what is the advantage of the system? What is the envelope system of paying off? How is the kind of denominations that are wanted determined? How are the envelopes prepared and filled? When are the envelopes sealed? How is the "pay roll cash" proved? How are the envelopes arranged for paying off? By whom is the paying off done? Page 136.—Describe the Log Measure Book. What is meant by a "market"? Give the rule for measuring logs. How would you find the equivalent of a log in markets? Describe the Market Ledger and explain its use. Page 138.—Describe the Petty Cash Book. Pages 138, 139.—Describe the Main Cash Book and explain how the posting is done from it. Page 141.—What is meant by "F. O. B."? What is meant by "inspection," as applied to Lumber? How is Lumber "tallied"? Review the notes and instructions in the memoranda of transactions, and be prepared to answer questions on any part of the work of the set.

SHIPPING AND COMMISSION.

[1]A large variety of manufactured products, such as woolen goods, cotton goods, carpets, hosiery, knitted underwear, as well as cotton and wool in the raw material, produce, grain, fruits, live-stock, etc., are sold to the wholesale and retail trades through correspondents at trade centers. [2]These correspondents or agents are known as Commission Merchants and Selling Agents.

[3]A **Shipping Merchant** is a person engaged in buying goods and shipping them to others to be sold.

[4]A **Commission Merchant** is a person engaged in receiving and selling goods belonging to others, [5]for a compensation called a commission, [6]which is generally a certain per cent. on the sales.

[7]It will be observed that the business of a shipping merchant is just the opposite of that of a commission merchant. [8]One consists in sending away goods to be sold, [9]while the other consists in receiving goods to be sold. [10]Very few merchants or manufacturers do an exclusively shipping business, and [11]very few commission merchants do an exclusively commission business. [12]Sometimes a merchant will do both a shipping and a commission business, [13]and some few do a general merchandising business in connection with the shipping and commission business.

[14]A **Selling Agent** is a person who represents manufacturers to the trade. [15]Sales are made by selling agents at trade centers by samples, and [16]orders are sent to the factory, from which shipments are made and where the accounts are kept. [17]Often, however, selling agents have large storage warehouses, and issue warehouse receipts, and make advances on goods consigned to them. [18]In such cases selling agents are in effect commission merchants.

[19]The interests of the commission merchant and those of the manufacturer often become closely identified. [20]Particularly true is this of those commission merchants who handle certain lines of manufactured products, the sale of which is based upon orders. [21]Orders for these products received from January to September, are made on a 60-da. dating from October 1, subject to trade discounts. [22]A large capital is necessary to carry on a manufactory, as returns from the sales commence late in the year. [23]Some selling agents and commission merchants, therefore, invite manufacturers to consign to them their goods, upon which they offer to advance to the manufacturer from forty to sixty per cent. of the value of each consignment, thus affording the necessary aid to those manufacturers who have limited capital to invest. [24]The commission merchant really loans the manufacturer money with which to do business.

[25]Other manufacturers, who are doing business on limited capital, consign their goods to commission merchants and receive advances on them in the same way. [26]Of course the goods consigned are the agent's security, and from the sale of which he reimburses himself for the money advanced.

[27]When property is shipped to be sold, it is called a Shipment. [28]The party who ships the property is called the Consignor. [29]When property is received to be sold, it is called a Consignment. [30]The party who receives the property to be sold is called the Consignee. [31]The consignor generally sends the consignee notice of a shipment, in the form of a letter of advice, or a consignment invoice, and a bill of lading. [32]Or, if the matter had been arranged for beforehand, the consignor's name, or registered stencil number would appear upon the goods. [33]Sometimes, however, produce commission merchants receive goods consigned to them without knowing to whom they belong. [34]These are known as "No name consignments," and are handled and disposed of in the usual way, and the proceeds retained until the owner is found.

[35]The property is generally sold at the current market rates. [36]Sometimes the consignor leaves the matter of price and terms to the judgment of the consignee, and [37]this is generally done in the produce commission business, and in other branches of the commission business where other kinds of perishable property is consigned; [38]but in the case of manufactured products, the consignor usually limits the price below which the goods must not be sold, and also establishes the terms of credit.

RECEIVING BOOK.

MEDINA, JULY 1, 189–.

Lot No.	L. F.	Name and Explanations		Charges.	
2512	36	Manchester & Davis.	Baltimore.		
		$^{10}/_{32}$ Strawberries.			
		10 brls. Bermuda Potatoes.			
		5 crates Bermuda Onions.			
		Car # 2875, Penn. R. R.	Freight.	6	25
		5.			
2513	37	Genung & Co.,	Chicago.		
		10 crates Tomatoes.			
		Car # 2963, L. S. R. R.	Freight.	2	50
		8.			
2514	38	Manning & Towne,	Phila.		
		10 crates Cucumbers.			
		Car # 2765, Penn. R. R.	Exp.	2	00
	9	Consignments,			
	21	To Freight and Drayage,		10	75

[39] The **Books Used** in a shipping and commission business depend, somewhat, upon the kind of goods handled and the magnitude of the business. [40] The books required in a produce commission business differ, in form and number, from those used in a commission business devoted to the handling of manufactured products, where sales are made to the Jobbing trade. [41] The following set is designed to illustrate a method of bookkeeping adapted to the requirements of a

PRODUCE COMMISSION BUSINESS.

[43] **Books Used.**—The books generally used in a produce commission business are Receiving Book, Sales Book, Cash Sales Book, Consignment Ledger, Accounts Receivable Ledger, Main Ledger, Journal, Cash Book, Bill Book, and Check Book. [44] If the shipping business is included, a Shipment Book and a Shipment Ledger will be of advantage, [45] although the latter book may be dispensed with, where shipments are few, [46] by keeping the shipment accounts in the Main Ledger, as heretofore explained. [47] In addition to the above-mentioned books, an Accounts Payable Book will be used in this set.

[48] The **Receiving Book** is the book in which the first record of a consignment is made. [49] It is usually a coarse book, about six inches wide, with rulings like an ordinary Day Book or Journal. [50] The entries in this book are made, usually, in pencil, and the book is kept by a clerk in the store or warehouse. [51] The Receiving Book is left in the office at the close of the day, or at other convenient times, when the book-keeper makes the necessary entries from it in the Consignment Ledger. [52] Some commission houses use two sets of Receiving books, so that those which are in use by the receiving clerks on one day may be in the office on the next.

[53] When a consignment is received, it is given a lot number in the Receiving Book, and opposite this number are entered the name and address of the consignor, which are taken from the letter of advice or from the bill of lading which the receiving clerk usually has on file. [54] Or, if no advice or bill of lading has been received, the name of the consignor may often be determined from marks on the goods, and his address from the freight bill. [55] In the absence of both advice and marks, the consignment would be a "No name consignment."

[56] Following the name and address of the consignor in the Receiving Book is entered a description of the goods. [57] This may be taken from the freight bill, or entered from the goods themselves, as they are unloaded from the wagon. [58] Next is entered the name of the R. R. Co. from whom the goods

FREIGHT BILL.

Date of W. B., July 11, 189–. *W. B. No.* 3914.

Medina, July 15, 189–.

NATIONAL PRODUCE CO.,

TO THE CENTRAL TRANSPORTATION COMPANY, DR.

For Transportation from Baltimore to *Medina.*

	WEIGHT.	RATE.	AMOUNT.
10 brls. Potatoes,	2050		
20 crates Onions,	1200		
	3250	.10	3 25
ADVANCE CHARGES,			1 15
		$	4 40

No. Car, 39876. *Received payment,*

E. B. CHURCH,

Freight Agent.

SPECIAL NOTICE.

1.—Payment is required on delivery of Goods, and will not be valid unless made to the Freight Agent, or to some person authorized by him.

Date of W. B., July 11, 189–. *W. B. No.* 3914. *Medina*, July 15, 189–.

Received, July 15, 189–, *from the* CENTRAL TRANSPORTATION COMPANY,

the following packages from Baltimore, *in good order, Marked:*

National Produce Co.

10 brls. Potatoes.

20 crates Onions.

Charges, 4.40.

Car No. 39876.

NATIONAL PRODUCE CO.

per O.

were received, the number of the car in which the goods were carried, and the freight charges, if any, all of which information is obtained from the freight bill usually accompaning the goods, the lower half of which bill the receiving clerk signs as a receipt for the goods. (*See form of freight bill, page 147.*) [59] Sometimes, however, instead of the regular freight bill, a "stub receipt," which does not contain the amount of freight charges, will accompany the goods (*see form of Stub Receipt on page 151*), [60] in which case the charges are not entered in the Receiving Book until later, or when they are paid. [61] A record of the name of the R. R. Co., and of the car number, is made to aid in settling the question in case any dispute should arise between the consignor and consignee as to the kind and quantity of goods received. [62] The charge for drayage is also entered in the Receiving Book at the time the goods are received. [63] Some make a separate entry for drayage, while others include it with the charge for freight. [64] The date when the goods are received will, of course, appear at the top of the page of the Receiving Book upon which the entry was made. (*See form of Receiving Book, page 146.*)

[65] When a consignment is received the lot number given it in the Receiving Book is stenciled or marked upon each package, and the goods are thereafter known, while in the store and when sales are made from them, by that number. [66] Goods which are not in packages and which are of such a nature that a lot number cannot conveniently be put upon them are placed in stalls or apart from other goods, and a placard bearing the lot number is posted up over them. [67] The entries in the Receiving Book are copied into the Consignment Ledger at the convenience of the book-keeper, and the page of the Consignment Ledger is entered opposite the consignor's name in the Receiving Book, as a check mark. [68] The Receiving Book is footed at the bottom of each page, and the footing is carried forward until the end of the month, when it is posted to the main Ledger, "Consignments To Freight and Drayage."

SALES BOOK.

MEDINA, JULY, 189–.

LOT.	L. F.	NAME.	ADDRESS.		AMOUNT.		SALES.		MDSE.	
	12	FRED. ABBOTT & Co.,	Middleport.							
2512		3/32 Strawberries.		20¢	19	20				
2516		1 brl. Bermudas.			3	00				
2530		2 crates Onions.		2.50	5	00	27	20		
		1 box Oranges.			6	00				
		1 " Lemons.			5	00			11	00
					38	20				
		3,								
	13	E. JONES & Co.,	West Barre.							
2514		1 crate Cucumbers.			2	50				
2513		2 crates Tomatoes.		2.50	5	00				
2512		1 brl. Potatoes.			3	00	10	50		
		1 box Oranges.			6	00			6	00
					16	50				
		5.								
	15	W. L. LASHER,	Harristown.							
2512		5/32 Strawberries.		22¢	35	20	35	20		
		1 box Oranges.			6	00				
		1 box Lemons.			5	00			11	00
					46	20				
					100	90	72	90	28	00
	14	Accounts Rec.,	Total time sales,		100	90				
	6	To Mdse.,	" from stock,						28	00
	8	Sales,	" on comm.,						72	90

[69] The **Sales Books** used in this set are provided with three money columns. [70] The first, or left-hand money column is for extensions and amounts; [71] the second is for commission sales; [72] and the third, or right-hand money column is for merchandise sales. [73] The column on the extreme left of the book is for the lot numbers. The other columns are self-explanatory. [74] An ordinary two column book could be used for this purpose by placing the extensions and amounts at the left of the money columns. [75] All cash sales are entered in the Cash Sales Book and [76] all other sales in the regular Sales Book. [77] The two books are the same in form and ruling.

[78] As a sale may include goods belonging to several consignments and to the commission merchant, it is necessary to exhibit that fact in some way upon the Sales Book. [79] This is done by writing opposite each entry in the Sales Book the lot numbers of the consignments to which the goods belonged. [80] Then if any items appear in the entry with no lot numbers opposite them they are understood to be merchandise items. [81] The other part of the record of the sale is made in the usual way.

[82] Care must be taken to record the lot number when consignment goods are sold, else the consignment will not receive credit for the sale. [83] A good way is to enter the lot number first. [84] Sometimes the salesman makes the extensions in the money columns, but [85] usually this is done by the book-keeper or his assistant after the Sales Books reach the office.

[86] The extensions are made in the first money column and footed at the time of rendering the bill. [87] The entries in the other columns of the main Sales Book may be made at the convenience of the book-keeper. [88] The special columns are footed at the bottom of each page and the footings carried forward until the end of the month, when they are posted to the main Ledger. [89] The footings of the special columns should be proved at the bottom of each page by comparing their sum with the footing of the

SALES BLANK.

DATE SOLD. July 15, '90.	NATIONAL PRODUCE COMMISSION CO.		FOLIO. 916.
TERMS. 30 da.	No. —	Otis, SALESMEN.	DATE BILLED. July 16, '90.
AMOUNT COLLECTED.	SOLD TO Mount & Co.		LEDGER. 413.
	TOWN Longville. Co. Monroe.	STATE New York.	
	SHIP Mer. Des. REMARKS.	Ship at once.	

	SHIPPER'S CHECK.	QUANTITY.	DESCRIPTION OF GOODS. (Write plainly and be explicit.)	WEIGHTS & MEASURES.	PRICE.	Salesmen Must Not Use These Columns.					
2512	✓	3/32	Strawberries.	96	20	19	20	19	20		
2487	✓	1 bbl.	Bermuda Potatoes.		3 00	3	00	3	00		
2513	✓	2 crates.	Tomatoes.		2 50	5	00	5	00		
	✓	1 bx.	Oranges.		6 00	6	00			6	00
	✓	2 "	Lemons.		5 00	10	00			10	00
			Amounts forward,			43	20	27	20	16	00

amounts in the amount column. [90] The footing of the Sales column is posted to the credit of Consignments; [91] the footing of Mdse. column to the credit of Mdse., [92] and the sum of the two footings to the debit of Accts. Rec., all in the main Ledger.

[93] The Cash Sales Book is extended, footed and ruled daily, and [94] the footings of the two special columns carried into the main Cash Book.

[95] The entries in the main Sales Book are posted in the Accts. Rec. Ledger to the debit of the persons who purchased the goods. [96] Consignments are credited in detail from both the main Sales Book and the Cash Sales Book, and [97] a check mark is placed against each lot number to indicate that the item has been posted. [98] In posting from the Sales Books to the Consignment Ledger the Receiving Book is used as an index to the consignment accounts. [99] The lot numbers appearing consecutively in the Receiving Book make it an easy matter to find any desired number, opposite which is the page of the Consignment Ledger upon which that particular consignment appears. [100] This makes any other index unnecessary. [101] Some commission houses, however, keep a regular index to their Consignment Ledger.

Sales Blanks.—[102] Instead of using bound Sales Books some business houses, commission as well as others, use loose sales blanks similar to the one illustrated above, on which to record sales. [103] A sales blank is used for each sale, whether the sale be on time or for cash, the salesman making the record upon the blank the same as if it were a book, and sends it with the goods to the shipping department, after which it is sent to the office, where the extensions and entries are made, and where it is filed in a binder. [104] It will be observed that this blank serves the purposes of Order Book, Shipping Book, Cash Sales Book and Sales Book. (*See form of Consignment Ledger, page 150.*)

[105] The **Consignment Ledger** used in this set is ruled like an ordinary Ledger and contains accounts with consignments only. [106] The Consignment Ledger as here used differs from the Commission Sales Book or Consignment Book used in the set following this, in that all entries in it are posted from original entries in other books, while in the Consignment Book the entries therein recorded are original entries and from it are posted to other books.

[107] An account is opened in the Consignment Ledger with each consignment, [108] and on the debit side are entered, from the Receiving Book, the date the goods were received, a detailed description of the goods, the lot number, and the freight and drayage charges. [109] Some commission merchants post the freight and drayage charges from the Cash Book instead of from the Receiving Book. [110] If any advances were made on the consignment the amounts would be entered in the Payments column of the Cash Book and posted to the debit side of the consignment account in the Consignment Ledger. [111] On the credit side of this book are entered the sales which are posted in detail from the Sales Books.

CONSIGNMENT LEDGER.

KLEIN & CO., Philadelphia.

189–						189–						
July	2	Lot # 1.				July	3	2 crates,	1.75	63	3	50
		25 crates Onions,					3	1 "		65	1	75
		Freight and drayage,	2	5	50		3	10 "	1.75	68	17	50
	5	Comm., 5%,	15	2	18		5	1 "		72	1	75
		Cash, proceeds,	15	35	92		5	10 "	1.75	76	17	50
							5	1 "		78	1	60
				43	60			25 " total sales.			43	60

MORGAN, MORSE & CO., Tonawanda.

189–						189–						
July	1	Lot # 19.				July	2	124 lbs. $\frac{61}{63}$	22¢	61	27	28
		10 tubs Butter, 612 lbs.,					3	183 lbs. $\frac{60}{62}$ $\frac{}{61}$	23¢	63	42	09
		60✓ 62✓					5	122 lbs. $\frac{59}{63}$	21¢	77	25	62
		61✓ 63✓						*Inventory, 183 lbs.* $\frac{63}{62}$ $\frac{}{58}$				
		58 61✓										
		59✓ 63										
		63✓ 62										
		301 lbs. 311 lbs.										
		Freight and drayage,	2	3	18							
	10	Comm. 5 %,	18	4	75							
		Cash, proceeds,	18	87	06							
				94	99						94	99
July	6	Inventory, 183 lbs., $\frac{63}{62}$ $\frac{}{58}$										

[112] After a sale has been posted in the Consignment Ledger the items included in the sale are sometimes checked on the debit side of the account. [113] The unchecked items then show at any time what goods are unsold belonging to the consignment, and [114] if no items remain unchecked after a sale has been posted it will indicate that the goods are all sold. [116] After the goods belonging to a consignment have all been sold, an account sales is rendered to the consignor.

[116] The account sales shows the sales that have been made, the charges, such as freight and drayage, that have been paid, the advances, if any, the commission merchant's charges, and the consignor's net proceeds, which latter is the difference between the total sales and the total charges. [117] At the time of rendering the account sales, an entry is made on the Cash Book for the commission merchant's charges, and for the net proceeds, if they are remitted in cash. [118] If the net proceeds are not remitted at the time of rendering the account sales, which is an unusual thing in the produce commission business, the charges only would be entered on the Cash Book. [119] When these items have been posted from the Cash Book the consignment account will balance, if the net proceeds have been remitted, and the account may then be ruled up. [120] If the net proceeds have not been remitted the difference in the account will show at any time the amount due the consignor on that consignment.

[121] Sometimes an account sales is rendered and the net proceeds remitted, before the goods have all been sold, [122] in which case the account is closed in the usual way, excepting that goods remaining unsold are entered as an inventory on the credit side in red ink and brought down below the ruling on the debit side in black ink, after the account is ruled up.

[123] It will be observed that the Consignment Ledger sustains the same relation to the Consignment account in the main Ledger, that an ordinary Sales Ledger does to Accounts Rec. in the Main Ledger. [124] An abstract of the Consignment Ledger is proved by the Consignment account in the Main Ledger.

Account Sales by NATIONAL PRODUCE CO.,

of 10 brls. Ber. Potatoes, 20 crates Ber. Onions, for account and risk of DEAVENPORT & Co.,

Baltimore, Md.

1890. July	16	4 brls. Ber. Potatoes,	3.00	12	00
		10 crates " Onions,	1.75	17	50
	18	6 brls. " Potatoes,	2.90	17	40
	20	10 crates " Onions,	1.70	17	00
				63	90
CHARGES,		EXPRESS,			
		FREIGHT AND CARTAGE,	5 00		
		COMMISSION, 5%,	3 20	8	20
		NET RETURNS, per ck.,		55	70

E. & O. E.

MEDINA, July 21, 189–.

Potatoes and Onions are weak at present. We think we could dispose of some prime Melons to good advantage.

Form 1077.

STUB RECEIPT

Freight Office, N. Y. C. & H. R. R. R.

Medina, July 13, 1890.

Received *from the N. Y. C. & H. R. R. R. Co. the following packages in good order, marked*

National Produce Co.

No. Car 6567.

10 crates Cabbage.

3 brls. Potatoes.

N. P. Co.

SHIPMENT BOOK.

DATE.	L. F.	NAME AND EXPLANATION.		EXTENSIONS.		TOTAL.	
July 1	31	KANE & KLINE,	Richfield.				
		100 boxes Oranges,	4.00	400	00		
		50 " Lemons,	3.00	150	00		
		5 brls. Melons, 125,	10¢	12	50	562	50
		Mer. Des. Freight prepaid.					
July 5	40	EDMONDS & MASON,	Lowville.				
		50 brls. E. R. Apples,	2.00	100	00		
		25 crates Tomatoes,	1.60	40	00		
		50 " Onions,	1.25	62	50	202	50
		M. C. R. R.					
	116	Shipments,				765	00
	104	To Mdse.,					

[125] The **Shipment Book** used in this set is an ordinary two-column book, in which a detailed record of all goods shipped to be sold on commission is made (*See illustration of Shipment Book on page 151.*)

[126] When a shipment is made, the date of the shipment, the name and address of the consignee and a description of the articles shipped, are recorded in the Shipment Book, and the entry posted to the Shipment Ledger. [127] If any charges are paid on a shipment they are entered in the Cash Book, and posted from it to the Shipment Ledger.

[128] The **Shipment Ledger** is the same in form as the ordinary Ledger, and contains accounts with Shipments only. [129] Shipment account on the Main Ledger represents the Shipment Ledger, and will prove an Abstract of it. [130] The entries in this book are posted from the Shipment Book and from the Cash Book.

[131] Some commission merchants use the Shipment Ledger as a memorandum book, and [132] make no entry on the main books for shipments until an Account Sales is received, when [133] they credit Mdse. for the net proceeds, and debit cash or the consignor.

CASH BOOK.

RECEIPTS.				LED. FOL.	SHIPMENT LEDGER.				CON. L.	LED. FOL.	GENERAL LEDGER.					
					CONTRA.			N. CASH								
DATE.		NAME.	EXPLANATION.		GAIN.		LOSS.	RECEIPTS.	SALES.		MDSE.		ACCT. REC.		GEN.	
189–.																
July	1	W. R. Lasher,	Investment,							1					5000	00
	3	Mdse.,	Cash Sales,	56					51	10	19	50				
	5	Con. Sales,	for day,							86			78	00		
	6	Jones & Co.,	To balance,													
		Shipment,	Owen & Co.,	13	12	50		145	00							
	8	Con. Sales,	per day,	56					52	90						
		Shipment,	Hope & Co., pro. cr.,	12	8	50										
	9	Shipment,	Carr & Mann,	15			15	10	78	60	14	20				
		Mdse.,	Cash sales,													
	10	Mason & Co.,	On account,							81			52	10		
		Shipment,	Hope & Co., pro. rec'd,	12				75	00							
					21	*00*	*15*	*10*	298	60	104	00	33	70	130	10	5000	00
		Mdse.,	Total for month,							5					33	70
		Acts. Rec.,	" " "							7					130	10
		Consignments,	" " "							9					104	00
		Shipments,	{Returns, 298.60 {Loss, 15.10							21					313	70
		Commission,	contra,							52					21	28
		Loss and Gain,	On Shipt., contra,							16					21	00
		Discount,	contra,							35					4	60
															5628	38

[134] The **Cash Book** used in this set is provided with several special columns, making economical division of labor, and combining the labor-saving features of the special column Journal with those of the ordinary special column Cash Book. [135] On the left-hand page under the heading "Shipment Ledger" are three special columns, the items in which are posted daily to the Shipment Ledger. [136] The first, or "Gain" column, is for gains on shipments, which are posted to the debit side of the shipment accounts; [137] the second, or "Loss" column, is for losses on shipments, which are posted to the credit side of the shipment accounts; and [138] the third, or "Account Sales" column, is for the net cash returns on shipments, [139] which are also posted to the credit side of the shipment accounts. [140] The gain or loss on a shipment is determined by comparing the cost of the shipment, as shown by the account in the Shipment Ledger, with the amount of the net proceeds. [141] The entries in the Gain and Loss columns are really Journal entries, and in no way affect the balance of cash. [142] Hence, if an account sales of a shipment is received, with notice that the proceeds have been credited, or are not yet due, an entry is made in the Gain column or in the Loss column, as the case may be, the same as if cash had been received. [143] Then, when the net proceeds are received, an entry is made in the Account Sales column for the amount.

[144] The shipment accounts in the Shipment Ledger are not only accounts with the shipments, but are also accounts with the consignees. [145] The three Shipment Ledger columns in the Cash Book are footed at the end of the month and posted to the General Ledger. [146] The footing of the Loss column is added to the footing of the Account Sales column, and the sum of these two footings is entered on the left-hand side of the Cash Book and posted to the credit of Shipments.

[147] The footing of the Loss column is also carried to the opposite side of the Cash Book as a contra entry, and posted to the debit of Loss and Gain. [148] The difference between these two entries will be the actual cash received on account of shipments.

[149] The footing of the Gain column is entered on the left-hand side of the Cash Book and posted to the credit of Loss and Gain. [150] It is also entered on the right-hand side of the Cash Book and debited to Shipments. [151] All of the above entries are posted to the General Ledger.

CASH BOOK.

PAYMENTS.				LED. FOL.	CONS. LEDG.				SHIPMENT LEDGER.		LED. FOL.	GENERAL LEDGER.							
DATE.		NAME.	EXPLANATION.		CONTR. COMM.		N. CASH PAYTS.					ACCTS. PAY. NET.		ACCTS. PAY. CON. DIS.		EXP.		GEN'L.	
189–.																			
July	1	Shipment,	Martin & Davis,	50					6	25									
	2	Expense,	Rent 1 mo.,													75	00		
	2	Freight,	On Mdse.,								21							17	50
	4	Monroe & Co.,	Invoice 6th, 150, less 2%,								6	147	00	3	00				
	5	Shipment,	Orwen & Co.,	80					2	50									
	6	W. R. Lasher,	On private account, ck. # 85,								1							75	00
		Manaher & Day,	Acct. Sales remitted,	92	6	28	173	47											
	8	Shipment,	D. Armstrong,	56					2	00									
		Genung & Co.,	Acct. Sales rendered,	95	6	50													
		Expense,	Petty Expenses for week,													9	80		
	9	E. H. Easterly,	Invoice 1st, 80.00 less 2%,								8	78	40	1	60				
		Genung & Co.,	Acct. Sales pro. remitted,	56	8	50	121	00											
	10	Mann & Towne,	Acct. Sales pro. remitted,	84			159	50											
		Freight,	Balance for mo.,								21							25	10
		Shipment,	Trammer & Co.,	11					8	75									
					21	*28*	453	97	19	50		225	40	*4*	*60*	84	80	117	60
		Consignments,	Total for mo.,		Comm. 21.28 Net Cash, 453.97						9							475	25
		Expense,	Total for mo.,								3							84	80
		Accounts Pay.,	Total bills pd. mo.,				Net Cash, 225.40 Dis., 4.60				6							230	00
		Shipments,	Charges advanced,								21							19	50
		Shipments,	Gain on Shpts., contra,								21							21	00
		Loss and Gain,	Loss on Shipments, contra,								16							15	10
																		963	25
		Balance,	*In bank,* 4273.12 *" safe,* 452.01															*4725*	*13*
																		5628	38

[152] Following the Shipment Ledger columns in the Cash Book is a column headed "Consignment Ledger," which is for the daily cash sales of goods belonging to consignments. [153] The entries in this column are the daily footings of the Cash Sales Book. [154] No posting is done from this column until the end of the month when the footing of it is posted to the credit of Consignments, in the General Ledger. [155] Under the heading "General Ledger" are three more columns. [156] The column headed "Accounts Receivable" is for cash received from customers, on account. [157] The items in this column are posted daily to the credit of their respective accounts, in the Accounts Receivable or Customers' Ledger, and [158] the footing of the column is posted, at the end of the month, to the credit of Accounts Receivable in the Main Ledger. [159] The next column on the left is for the daily cash sales of Mdse., the entries in it being the daily footings of the Cash Sales Book. [160] The footing of this column is posted to the credit of Mdse. at the end of the month. [161] The one headed "General" is for such accounts as belong in the General Ledger and have no special columns provided for them. [162] The items in this column are posted daily.

[163] On the right-hand side of the Cash Book under the heading "Consignment Ledger" are two special columns. [164] When advances are made on consignments, or net proceeds remitted in cash, an entry is made in the Payments column. [165] The commission is entered in the Commission column. [166] The last mentioned column is a Journal column and sustains the same relation to the Cash Book as do the contra shipment columns already explained. [167] The entries in these two columns are posted daily to the debit of the consignments to which they belong, in the Consignment Ledger, and [168] the footings of these columns are posted to the Main Ledger, at the end of the month. [169] These footings are first added and their sum debited to Consignments. [170] The footings of the Contra Commission column is carried to the opposite side of the Cash Book and credited to Commission. [171] The difference between the two entries on the left-hand side and the one on the right-hand side of the Cash Book is the actual cash remitted on consignments. [172] When it is the practice to make other charges, such as storage, insurance, etc., on consignment, special contra columns may be ruled for these items in the Cash Book.

[173] The next column on the right, which is headed "Shipment Ledger," is for cash payments on account, of shipments. [174] The items in this column are posted daily in the Shipment Ledger, to the debit of the Shipment Accounts to which they belong; and [175] the footing of the column is posted, at the end of the month, to the debit of Shipments acct. in the Main Ledger.

[176] The remaining columns on the right are General Ledger columns. [177] The items in the Accts. Pay. columns are posted daily to the Accounts Payable Book, and [178] the items in the General column to their respective accounts in the General Ledger. [179] The items in the Expense column are not posted. [180] A special column for freight and drayage is sometimes used in this section of the Cash Book. [181] The footings of the two Accounts Payable columns are added and their sum is debited to Accounts Payable account in the Main Ledger. [182] The footing of the Contra Discount column is carried to the opposite side of the Cash Book and posted to the credit of Discount. [183] The difference between these two entries is the amount of cash paid out on account of Accounts Payable. [184] The footing of the Expense column is posted to the debit of Expense account in the Main Ledger.

[185] In proving the Cash Book daily the items in the contra columns are not to be taken into account. [186] In closing the Cash Book at the end of the month all of the columns are footed and carried below the ruling as Journal entries, as explained above, and as illustrated on pages 152 and 153. [187] The footings which appear in italics in the illustrated Cash Book are red ink footings, and [188] are carried into the General column on the opposite page.

[189] If the accounts with individual shipments and with customers were kept in the Main Ledger instead of in the Shipment Ledger and Customers' Ledger, the special Shipments and Accounts Receivable columns in the Cash Book would be unnecessary.

[190] The **Accounts Payable Book** used in this set is the same in form as the one on page 100.

[191] The **General Ledger** and **Accounts Receivable Ledger** are of the ordinary form of Ledger.

MEMORANDA OF TRANSACTIONS FOR JULY.

MONDAY, JULY 1, 189–.

Edwin H. Sprague commences the Produce Commission Business at 73 Water St., where he has leased office and warerooms, at 600.00 per annum.

He pays in to the concern cash, as capital, 5000.00. (*C. B. Enter in General column.*)

He engages (Student) as book-keeper, at a salary of 15.00 per week; M. B. Andrews and C. R. Stone as clerks, at a salary of 10.00 per week, each. (*Memorandum only.*)

Prepay rent for one month in cash, 50.00. (*C. B. Expense column.*)

Buy for cash of John Winter, the following as per cash bill: 1 copying press and stand, 8.00; 1 bill file, 1.75; 1 letter file, 1.75; 1 rubber ruler, 1.00; 2 double ink wells, 1.75 each; 1 paper weight, 75¢; 1 steel eraser, 25¢; 1 revolving book rack, 10.00. (*C. B. Furniture and Fixture acct.*)

Deposit in Exchange Bank, cash, 4500.00. (*Ck. B.*)

Buy for cash, per check, of Hammond Furniture Co., 1 roller top office desk, 35.00; 1 double high desk, 20.00; 1 table, 6.00; 1 revolving chair, 5.25; 3 office chairs, 1.00 each; 8 yds. matting, @ 40¢; 4 yds. linoleum, @ 1.10; 3 curtains and fixtures, 2.25 each. (*Ck. B. and C. B.*)

The expression "buy for cash per check" means that the terms of purchase are cash, and that the bill is paid by check. When a bill is rendered it is unnecessary to itemize the purchase; simply refer to the bill on file.

Buy for cash, per check, of the Briggs Safe Co., 1 Fire and Burglar-proof Safe for office use, 125.00.

Receive from Klem & Co., New York, per Western R. R., car No. 1806, to be sold on their account and risk, 25 crates Bermuda Onions. Freight and drayage charges, 5.50. (*Enter in Receiving Book, Lot No. 1. See 48–68, pages 146, 147, and illustration of Receiving Book on page 146.*)

It will be noticed that the freight and drayage charges on the above consignment were not paid at the time the goods were received. This is the practice in cities where Truck or Dray companies are established. The freight and drayage bills are brought in daily, weekly, or monthly, and one check is drawn for the total amount.

Pay Goddard & Co. per check, for books and stationery for office use, per cash bill, 18.25. (*C. B. Expense acct.*)

MEMORANDA OF TRANSACTIONS FOR JULY (Continued).

Receive from Tilden & Palmer, New York, 25 bxs., 1 doz. cans each, Cove Oysters, 8¢ per can; 50 bxs., 1 doz. cans each, Little Neck Clams, 8¢ per can. Invoice dated June 29; terms on account, 30 da., 2% 10 da. (*Enter in Accts. Pay. Book only.*)

Notice that the above goods are not consigned by Tilden & Palmer, but are purchased of them, hence the entry in the Accts. Payable Book instead of in the Receiving Book.

Receive from Henry L. Thompson, Chicago, lot No. 2, per Mer. Des., in car No. 876, to be sold on their account and risk, 100 crates Tomatoes. Freight and drayage on same, 15.25.

Buy of J. W. Green, per check, 50 brls. Early Harvest Apples, 1.50, delivered in car on track, Erie R. R., and ship same to Morgan & Co., Brighton, to be sold on our account and risk. (*Ck. B. and C. B. Shipments acct. and entered in Shipment Ledger column.*) (*No entry required in Shipment Book.*)

Prove the cash and post the entries for the day. The cash in safe is 423.00. Copy the entries from the Receiving Book into the Consignment Ledger, and use the page of the Consignment Ledger on which the entry appears as a check mark. (*See form of Consignment Ledger, page 150; See also 107, 108, page 149.*) Give each consignment account one-fourth of a page space. Post from the Cash Book as explained on pages 152, 153. Give each account in the General Ledger ten lines, and in the Shipment Ledger, eight lines space. There is no posting to be done from the Accounts Payable Book until the end of the week.

TUESDAY, JULY 2, 189–.

Receive from Smithfield & Co., Philadelphia, per N. C. R. R., car No. 1152, to be sold on their account, 50 crates Cucumbers, lot No. 3. Freight and drayage charges, 3.05.

Receive from Hunt & Co., Baltimore, to be sold on their account, 10 brls., 250, Melons, lot No. 4, in car No. 687, West Shore R. R. Freight and drayage on same, 3.50.

Receive from Mandell & Co., Philadelphia, 25 bxs. Oranges, 4.00; 50 bxs. Lemons, 3.00. Cash bill. Pay for same per check. (*C. B. Mdse. acct.*)

Sell Benton Bros., City, on acct., 1 bx. Lemons, 5.00; 1 crate Cucumbers, lot No. 3, 1.50; 10 crates Tomatoes, lot No. 2, 2.00; 1 bx. Oranges, 6.00; 2 crates Bermuda Onions, lot No. 1, 1.75. (*Enter in Sales Book. See illustration on page 148. Extend the value of the Oranges and Lemons into the Mdse. column, and the value of the consignment sales into the sales column. Be sure to enter the lot number of each consignment at the left and on the same line with the item to which it belongs.*)

Sell Robert Donnelly for cash, 1 bx. Oranges, 6.00; 1 bx. Lemons, 5.00; 1 crate, lot No. 1, Bermuda Onions, 1.75; 1 crate, lot No. 2, Tomatoes, 2.00. (*Enter in Cash Sales Book.*)

The Cash Sales Book is the same in form as the Time Sales Book. In the absence of a Cash Sales Book the student may use a page of the Time Sales Book for a Cash Sales Book.

Ship E. R. Adams, Charlotte, per B. & O. R. R., to be sold on our account and risk, 10 bxs. L. N. Clams, 1.10; 10 bxs. C. Oysters, 1.10; 15 bxs. Oranges, 4.25; 25 bxs. Lemons, 3.25. Paid drayage charges on same in cash, 1.00. (*Enter in Shipment Book and Cash Book. See form of Ship. B. page 151, and form of C. B., page 153.*)

Sell Swift & Erwin, City, on account, 10 crates, lot No. 1, Bermuda Onions, 1.75; 1 bx. Oranges, 6.00. (*Sales Book.*)

Sell Jones & Bean, City, for cash, 1 bx. Oranges, 6.00; 2 crates, lot No. 1, Bermuda Onions, 1.75.

Sell Traine & Kemp, City, on account, 10 crates, lot 1, Ber. Onions, 1.75; 5 crates, lot 2, Tomatoes, 2.00; 100, lot 4, Melons, 25¢; 5 crates, lot 3, Cucumbers, 1.50.

Deposit cash in bank, 250.00.

Prove the cash and post the entries for the day. The cash in safe is 196.25. Post from the time Sales Book as follows: Debit each purchaser in the Accts. Rec. Ledger for the amount of his purchase; credit each consignment in the Consignment Ledger for the value of the goods sold belonging to it. The lot numbers in the column on the left of the Sales Book indicate the goods that have been sold belonging to consignments. (*See 95–100 page 149.*) Give each account in the Accts. Rec. Led. ten lines space. Credit the consignment for the cash sales for the day as recorded in the Cash Sales Book.

MEMORANDA OF TRANSACTIONS FOR JULY (Continued.)

Foot the Sales and Mdse. columns of the Cash Sales Book, and carry the footings to the Sales and Mdse. columns of the main Cash Book. (*See illustration, page 152.*) Open an account with E. R. Adams in Shipment Ledger, and post the entry from the Shipment Book. Post from the other books as on the preceding day and re-check yesterday's postings.

WEDNESDAY, JULY 3, 189–.

Pay Blood & Stewart, per check, for office sign, 35.00. (*Furniture acct.*)

Receive cash as follows: From Benton Bros., to balance account (*see their account in your Accts. Rec. Ledger*); Swift & Erwin, on account, 15.00; Traine & Kemp, 40.00. (*C. B. Accts. Rec. column.*)

Receive from James W. Simmons, Ovid, 250 bu. Early Rose Potatoes, at 45¢, bought on account. Invoice is dated July 1, terms 30 das., 2% 10 da.

Receive from Klem & Co., New York, to be sold on their account, 50 crates Onions, per Erie Desp., car No. 962. Freight and drayage on same, 10.90. (*Enter in Rec. Book only.*)

Sell Benton Bros., on account, 1 bx. Cove Oysters, 1.20; 3 bxs. Little Neck Clams, 1.20; 1 crate, lot 5, B. Onions, 1.60; 10 crates, lot 2, Tomatoes, 2.00; 50, lot 4, Melons, 20¢; 5 crates, lot 3, Cucumbers, 1.50.

Render Klem & Co. an account sales of their consignment, lot No. 1, and remit their net proceeds per check. Your charge is Commission, 10% on the gross amount of sales. Turn to Klem & Co's. account and find the amount of the sales, upon which compute your commission. Add the freight and drayage charges to the commission and deduct their sum from the total sales. The difference is the consignor's net proceeds, which is also the amount of your check. (*Charge Klem & Co. in the C. B. Enter the amount of the check in the "Net Cash Payments" column, and the commission in the "Contra Commission" column. See 163–167, page 153. Rule up the account in the Ledger after posting the above items.*)

Ship Wheelwright & Briggs, Scranton, per Mer. Desp., to be sold on our account and risk, 200 bu. Early Rose Potatoes, worth 50¢ per bu. Prepay freight and drayage charges on same in cash, 10.62. (*Enter in Shipment Book and Cash Book.*)

Pay Tilden & Palmer, per check, for their invoice dated June 29, less 2% discount. (*C. B., Ck. B., and A. P. B. Extend the net amount of the invoice into the "Net" column, and the discount into the "Contra Dis." column of the Accts. Pay. section of the Cash Book. See C. B., page 153.*)

Remember to record the payment in the Accts. Pay. Book.

Sell Van Norton & Son, for cash, 1 bx. Oranges, 6.00; 2 bxs. Lemons, 5.00; 5 crates, lot 3, Cucumbers, 1.50; 10 crates, lot 2, Tomatoes, 1.95. (*C. S. B.*)

Deposit cash, 200.00.

Sell Swift & Erwin, on account, 50, lot 4, Melons, 22¢; 1 bx. Lemons, 5.00; 20 crates, lot 2, Tomatoes, 1.95; 10 crates, lot 3, Cucumbers, 1.50.

Prove the cash and post the entries for the day. The cash in safe is 119.63. Review carefully the instructions for posting, following the memoranda for the preceding days.

FRIDAY, JULY 5, 189–.

Receive from E. Brownell & Co., Baltimore, per N. C. R. R., car 2076, 25 brls. Sweet Potatoes, to be sold on their account and risk. Freight and drayage on the same, 3.75.

Buy per check, of the Star Mills, 100 sacks Patent Graham Flour, at 35¢ per sack, delivered. (*Mdse. acct.*)

Receive from Atwater & Co., Philadelphia, per Adams Express, to be sold on their account and risk, 10 crates Cabbage. Pay charges on same in cash, 2.50. (*Rec. B. and C. B. Freight and Drayage acct. Extend the amount into the General column of the C. B.*)

Receive cash from Traine & Kemp to balance account; and from Swift & Erwin, to apply on account, 8.50.

MEMORANDA OF TRANSACTIONS FOR JULY (Continued).

Receive an account sales of the shipment made to E. R. Adams on the 2d inst., and his check for our net proceeds, 192.15. (*Enter in Cash Book and extend the amount of the check into the "Net Cash Receipts" column. Turn to the account in the Shipment Ledger and ascertain the gain or loss on the shipment by comparing the total cost with the amount of the check. Next enter the gain in the Contra Gain column. See 135–151, page 152. Rule up the account after posting the above items.*)

Sell Merriam & Co., City, on account, 2 brls., lot 6, Sweet Potatoes, 2.75; 1 bx. Lemons, 5.00; 3 crates, lot 7, Cabbage, 3.00; 10 bu. E. R. Potatoes, 60¢; 10 crates, lot 3, Cucumbers, 1.40.

Sell Brown & Altman, for cash, 3 bxs. L. N. Clams, 1.25; 2 bxs. Cove Oysters, 1.25; 50, lot 4, Melons, 20¢; 10 crates, lot 3, Cucumbers, 1.40.

Ship by Commercial Fast Freight Line, to Walker & Son, Corry, to be sold on our account and risk, 100 sacks Patent Graham Flour, worth 35¢ per sack. Pay drayage on same in cash, 75¢ (*C. B. Shipments acct.*)

Sell Barton & Co., for cash, 7 crates, lot 7, Cabbage, 3.00; 4 crates, lot 3, Cucumbers, 1.40; 10 bxs. L. N. Clams, 1.25; 10 bxs. Cove Oysters, 1.50; 10 crates, lot 2, Tomatoes, 1.90; 1 brl., lot 6, Sweet Potatoes, 3.50.

Sell Beacon & Son, City, on acct., 5 crates, lot 5, B. Onions, 1.65; 10 bu. E. R. Potatoes, 60¢.

Deposit in bank E. R. Adams' check, and 150.00 in currency.

Remit James W. Simmons our check for the amount of his invoice dated July 1, less the agreed discount.

Prove the cash and post the day's business. The cash in safe is 101.73.

SATURDAY, JULY 6, 189–.

Receive an account sales from Morgan & Co., Brighton, of the shipment made them on the 1st inst., and their check for our net proceeds, 88.60.

Receive by freight of J. W. Green, 100 brls. E. H. Apples, bought on account, at 1.40.

Sell Marshall & Co., City, on acct., 2 bxs. Oranges, 5. 50; 1 bx. Lemons, 4.75; 5 crates, lot 2, Tomatoes, 1. 90; 2 brls. Sweet Potatoes, lot 6, 2.60; 2 bxs. Cove Oysters, 1.15; 2 bxs. L. N. Clams, 1.15.

Sell J. B. Harding, for cash, 4 crates, lot 5, B. Onions, 1.50; 2 bxs. L. N. Clams, 1.12½; 4 crates, lot 2, Tomatoes, 1. 90; 1 bx. Oranges, 5.50; 1 bx. Lemons, 4.75.

Receive from Duncan & Co., Baltimore, per Erie Desp., car No. 8903, to be sold on their account and risk, 500 Pineapples. Freight and drayage, 6.82.

Render Smithfield & Co. an account sales of their consignment, lot No. 3, and remit them their net proceeds by check. Commission, 10% on gross sales. (*See account sales to Klem & Co., page 156.*)

Render Hunt & Co. an account sales of their consignment, lot 4, and remit them their net proceeds by check. Commission, 10%.

Sell Budlong & Co., City, on account, 10 crates, lot 2, Tomatoes, 1.90; 10 bu. E. R. Potatoes, 55¢; 2 brls., lot 6, Sweet Potatoes, 2.65; 10 doz., lot 8, Pineapples, 1.25.

Sell S. C. Wilson, City, on account, 10 doz., lot 8, Pineapples, 1.25; 5 brls., lot 6, Sweet Potatoes, 2.65; 1 bx. Oranges, 5.50; 1 bx. Lemons, 4.75; 10 crates, lot 5, Ber. Onions, 1.60; 5 crates, lot 2, Tomatoes, 1.80.

Render Atwater & Co. an account sales of their consignment, lot No. 7, and remit them our check for their net proceeds. Commission, 10%.

Pay freight and drayage bills for the week, 61.18, by check, favor of Hilbert Truck Co.

Ship Edwin Weldon, Erie, per. Mer. Desp., to be sold on our account and risk, 10 bxs. Lemons, valued at 4.50 per bx.

Receive from Wheelwright & Briggs an account sales of the shipment made them July 3rd, and their check for our net proceeds, 92.60.

Pay cartage, 50¢, in cash, on the Lemons shipped to Weldon.

Sell Edward Long, City, on account, 1 bx. Lemons, 4.50; 2 brls., lot 6, Sweet Potatoes, 2.50; 5 crates, lot 2, Tomatoes, 1.80; 5 crates, lot 5, B. Onions, 1.60; 4 doz., lot 8, Pineapples, 1.20; 5 bu. E. R. Potatoes, 55¢.

Sell Mumford Bros., City, for cash, 5 doz., lot 8, Pineapples, 1.20; 1 bx. Lemons, 4.50; 3 brls., lot 6, Sweet Potatoes, 2.50; 1 bx. Oranges, 5.50.

Receive cash on account, as follows: Benton Bros., 25.00; Swift & Erwin, 30.00; Merriam & Co., 25.00; Beacon & Son, to balance account.

Deposit the checks received during the day, and 100.00 in currency.

Pay employees their salaries for the week in cash, as follows: Student, 15.00; M. B. Andrews and C. R. Stone, each, 10.00.

Prove the cash and post the day's business. The cash in safe is 110.08.

Foot and rule the Accounts Payable Book and post the footing the same as heretofore. Foot and rule the Receiving Book and post the footing (*see 68 page 147*). Foot and rule the Time Sales Book and post the footings (*see 90, 91, page 149*). Foot and rule the Shipment Book and post the footing, "Shipments to Mdse." Balance, foot and rule the Cash Book and post as instructed in 145 to 188 on pages 152, 153 and 154. (*See illustration of Cash Book on pages 152 and 153.*)

After completing the posting from all the books, take a trial balance of the main Ledger. Next take off abstracts of the Accounts Receivable Ledger, Consignment Ledger, Shipment Ledger, and Accounts Payable Book, and prove the same by comparing with Accounts Receivable, Consignments, Shipments and Accounts Payable accounts in the main Ledger. Next make a balance sheet, and close the main Ledger.

INVENTORIES.

MDSE.—1 bx. Oranges, 5.50; 4 bxs. Lemons, 4.50; 15 bu. E. R. Potatoes, 55¢; 100 brls. E. H. Apples, 1.50. EXPENSE.—25 days' unearned rent, 40.32. FURNITURE & FIXTURES.—Office furniture and fixtures valued at, 250.00. COMMISSION.—On sales belonging to unclosed consignments, 30.45.

In the balance sheet extend the balance of Shipments account into the resource column, and the balance of Consignments account into the liability column. The net gain is 73.82.

QUESTIONS.

Pages 145–154.—What is a Shipping Merchant? A Commission Merchant? A Selling Agent? What is a Shipment? A Consignment? How is the consignee enabled to know to whom a consignment belongs? At what price and on what terms is the property sold? What books are used in a Produce Commission Business? Describe the Receiving Book. Explain how a consignment is entered when it is received? What is meant by "lot number?" How are the freight and drayage charges determined? What are done with the entries in the Receiving Book? Describe the Sales Books and explain their uses? Explain how the posting is done from the Sales Books? Describe the Sales Blank shown on page 149, and explain how it is used? Describe the Consignment Ledger, and explain how the accounts in it are kept? What account in the Main Ledger represents the Consignment Ledger? Describe the Shipment Book and explain its use? How is the posting done from this book? Describe the Shipment Ledger and explain its use? What account in the Main Ledger represents the Shipment Ledger? What form of Cash Book is used in this set? What is the advantage claimed for this form of Cash Book? What use is made of the columns headed "Shipment Ledger?" Of those headed "Consignment Ledger?" Of those headed "General Ledger?" What is meant by "contra columns?" What is done with the footings of the other special columns of the Cash Book? How is the posting done from this book? In proving the Cash Book daily, what items are not considered? Review the instructions and explantions in the memoranda.

JOBBING.

A **Jobber** [1] is one who buys from importers and manufacturers and sells to retailers. He is constantly in the market for bargains and is, in fact, a middleman between the importer or manufacturer and the retailer. [2] Jobber and wholesaler are sometimes used as synonymous terms. [3] A wholesaler is one who sells in large quantities to the retailer or consumer. [4] The term wholesale has reference to the quantity the dealer sells, and not to the source from which he buys, or to the party to whom he sells. [5] When the manufacturer sells direct to the retailer, he is known as a manufacturer and wholesaler. [6] Again, a wholesaler is usually confined to the sale of certain samples, and continues these samples throughout the season as staples, while a jobber often buys what he finds in the market because it is cheap, and advertises it as a "job lot." [7] A "Job lot" means that the stock is limited and samples are not on sales counter. [8] A Retailer is one who sells in small quantities to consumers.

[9] The object of this set is to illustrate in a practical way, the Wholesale or Jobbing business as it transpires at large trade centers. [10] Unlike in other sets, the student in this set assumes charge of the books as book-keeper, not to open a set of books nor to assume charge of a set duly closed; but he takes the books during the current condition of the business, and [11] the last trial balance is the basis upon which he commences work. [12] The set is also designed to illustrate a method of keeping department books as auxiliary to the main books; [13] and to have the main books represent the aggregate volume of business separately in the different departments. [14] In most cases the auxiliary books are made to take the place of the main books, thereby enabling the counting room work to be done on labor saving principles.

[15] The **Main Books** are General Ledger, Sales Ledger, Cash Book, Accounts Receivable Book and Accounts Payable Book.

[16] The **Auxiliary Books** are Department Sales Books (Furnishing Goods, Knit Goods, Gloves and Mitts), Stock Books, Continuous Abstracts, Continuous Trial Balance Book, Petty Expense Book, and Order Book.

[17] The **Main Ledger** is based upon the plan of showing in as few accounts as possible the progress and extent of the business. [18] But sixteen accounts are required to do this, and [19] the continuous trial balance, first introduced in this set (*see illustration, page 165*), is but an abstract of this Ledger from month to month.

[20] The **Sales Ledger** used in this set differs somewhat from the Sales Ledger heretofore introduced, in that both money columns are placed in the center of the page. (*See illustration, page 165*). [21] An abstract of this Ledger should, at any time, prove the correctness of Accounts Receivable account in the Main Ledger. [22] The Continuous Abstract, first introduced in this set (*see illustration, page 166*), is more than a test of the correctness of the Ledger. It is in constant use by the credit man of the concern and becomes to him a Credit Indicator. By it he can see the continuous history from month to month of each customer's account—the total amount trusted, the total amount collected, and the balance due at the end of each month. By it, also, he can determine if the particular person or firm concerning whom he wishes information is tardy in payments, or is promptly meeting demands. [23] The form submitted is one in general use, and should be studied by the student so that he may intelligently use it in writing out the memoranda of transactions.

[24] The **Purchase Ledger** may or may not be used, as the business of a Jobber may demand. [25] Where statistical information is desired regarding the volume of business with any one house, for the purpose of determining rebates, etc., a Purchase Ledger would be necessary. [26] But Jobbers have, as a rule, no running accounts with their creditors. Goods are usually bought subject to discount and are paid promptly. And even on "Net Purchases," part payments are not usually made, but each bill is settled at maturity. [27] For this purpose the Accounts Payable Book furnishes the information required, and [28] in it are found all the necessary tests of the correctness of Accounts Payable account in the Main Ledger. The Accounts Payable Book will be fully explained later.

ACCOUNTS RECEIV

SALES FOR

RECORD OF SALE.																		WHEN DUE									
SALES LEDGER.									GENERAL LEDGER.									TERMS.		JUNE.							
ORD. BK.	CHECK.	NAME AND ADDRESS.		DATE.		L. F.	DEBIT. INVOICE.		CASH. TOTAL.	CREDITS. K. G.		CREDITS. G. & M.		CREDITS. FURNG.		TIME.	DIS.	DATE.	CK.	NET AND C. O. D. DIS.		NET AND C. O. D. INT.		NET AND C. O. D. CASH.		NET AND C. O. D. TOTAL.	
				189–.																							
1	✓	Mason, J. L.,	Providence.	June	2	3	219	50						219	50	60 ds.	Net.										
2	✓	Carr, O. M.,	Hartford.		2	8	175	29				175	29			30 ds.	Net. 6—10										
2	✓	Long & King,	Springfield.		5	7	580	00		210	00	370	00			Oct. 1	5—30 6—10										
3	✓	Wood, W. O.,	Albany.		8	5	10450	00		4200	00	6250	00			Oct. 1	5—30										
3	✓	Wood, W. O.,	Albany.		8	5	200	00						200	00	60 ds. 30 ds.	Net. 5%										
4	✓	Ford & Co.,	Troy.		10	6	750	00						750	00	60 ds.	Net. 6—10										
5	✓	Evans & Co.,	Cohoes.		10	2	100	00				100	00			Oct. 1	5—30 6—10										
5	✓	Wood, W. O.,	Albany.		10	5	300	21				300	21			Oct. 1	5—30										
		Accts. Rec.	Total,			16	12775	00		4410	00	7195	50	1169	50												
		To Furnishings,				20								1169	50												
		Gloves and Mitts,				30								7195	50												
		Knit Goods,				35								4410	00												
														12775	00												

SALES FOR

RECORD OF SALE.																		WHEN DUE									
SALES LEDGER.									GENERAL LEDGER.									TERMS.		JULY.							
ORD. BK.	CHECK.	NAME AND ADDRESS.		DATE.		L. F.	DEBIT. TOTAL.		CASH. TOTAL.	CREDITS. K. G.		CREDITS. G. & M.		CREDITS. FURNG.		TIME.	DIS.	DATE.	CHK.	NET AND C. O. D. DIS.		NET AND C. O. D. INT.		NET AND C. O. D. CASH.		NET AND C. O. D. TOTAL.	
6	✓	Carr, O. M.,	Hartford.	July	1	8	900	60		300	00	600	60			Amt. Oct. 1	For 6—10 5—30	d,		72	30	8	18	1424	81	1505	29
7	✓	Dodd & Nash,	Buffalo.		1	9	75	10						75	10	30 ds.	Net										
8	✓	Elder & Bliss,	Cornell.			CB			90	00	90	00															
9	✓	Been Bros.,	Utica.		3	CB			225	00	90	00	60	00	75	00											
10	✓	Ford & Co.,	Troy.			6	175	00			75	00	100	00			30 ds.	Net.									
11	✓	Mason, J. L.,	Providence.		7	3	78	50						78	50	60 ds.	Net.	12	✓			79		77	71	78	50
12	✓	Howe, S. M.,	Oneida.			CB			120	00			120	00													
13	✓	Elder & Bliss,	Cornell.		10	CB			39	00			39	00													
14	✓	Howe, S. M.,	Oneida.			CB			75	00					75	00											
		Accts. Rec.				16	1229	20	549	00	555	00	919	60	303	60					72	30	8	97	1502	52	1583	79
		Cash, per Cash Book,				CB	549	00																			
		To Knit Goods,				25					555	00															
		Gloves and Mitts,				30					919	60															
		Furnishings,				20					303	60															
							1778	20			1778	20															

[29] **Special Books.**—The special books illustrated in this set form the basis of the memoranda for August. The first one of these special books is the

[5] **Accounts Receivable Book,** illustrated on pages 160, 161. By consulting the form submitted it will be found to serve the double purpose of a Sales Book and a Collection Register. [31] On the left are entered the sales from the Department Sales Books in the order and date of their occurrence. [32] At the end of the month the debit column is footed and Accounts Receivable is debited in the Main Ledger. [33] Sales for Gloves and Mittens, for Knit Goods, and for Men's Furnishings are entered to the credit of each department in special columns and [34] posted to the Main Ledger. It is evident that the sum of

ABLE BOOK.

JUNE, 189–.

AND WHEN COLLECTED.

JULY.							AUGUST.						OCTOBER.					PAST DUE.				
		30 DAYS.						60 DAYS.						DATED AHEAD.					HOW SETTLED.			
DATE.	CHK.	DIS.	INT.	CASH.	TOTAL.		DATE.	CHK.	DIS.	INT.	CASH.	TOTAL.	DATE.	CHK.	DIS.	INT.	CASH.	TOTAL.	DATE.	CHK.	AMT. DUE.	WHEN SETTLED.	MEMO.
							2					219 50											
2	✓			175 29	175 29																		
5	✓	34 80	8 18	537 02	580 00								10					~~580 00~~					
													10					10450 00					
												200 00											
18	✓	37 50		712 50	750 00		10	✓				~~750 00~~											
													10					~~100 00~~			100 00		
																		300 21					
		72 30	8 18	1424 81	1505 29																		

JULY, 189–.

AND WHEN COLLECTED.

AUGUST.							SEPTEMBER.						OCTOBER.					PAST DUE.				
		30 DAYS.						60 DAYS.						DATED AHEAD.					HOW SETTLED.			
DATE.	CHK.	DIS.	INT.	CASH.	TOTAL.		DATE.	CHK.	DIS.	INT.	CASH.	TOTAL.	DATE.	CHK.	DIS.	INT.	CASH.	TOTAL.	DATE.	CHK.	AMT. DUE.	WHEN SETTLED.	MEMO.
													10					900 60					
					75 10																		
					175 00																		
												~~78 50~~											

the footings of these three columns will equal the charge to Accounts Receivable. [35] This part of the book, which is under the heading "Record of Sale," is a main book — the General Sales Book — the details of which, as stated above, are found in the different Department Sales Books.

[36] The Accounts Receivable Book is also used as a Collection Register. [37] To fully explain the use of this book the records of two months' business are required. [38] To fully understand the workings of the book, it will be necessary to turn to the illustrated forms and trace each sale to its settlement or conclusion in the account. Under the head "When Due and When Collected" it will be noticed that J. L. Mason's bill of 219.50 is recorded as "60 days net." At the time of entering the sale the book-

CASH BOOK.

DATE.		ACCOUNT.	EXPLANATION.	LED. FOL.	SALES LEDGER. CONTRA. DIS.	SALES LEDGER. CONTRA. INT.	SALES LEDGER. NET CASH.	GENERAL LEDGER. GLOVES AND MITTENS.	GENERAL LEDGER. KNIT GOODS.	GENERAL LEDGER. FUR'G GOODS.	GENERAL LEDGER. GENERAL.
189–.											
July	1	Gloves,	J. M. Lowe,	✓				120 00			
	2	O. M. Carr,	June 2d, net,	17			175 29				
		Knit Goods,	Elder & Bliss,	✓					90 00		
	5	Long & King,	Disct., inv. June 5, 580.00,	19	34 80	8 18	537 02				
	6	Sales,	Been & Bros., 2 25,	✓				60 00	90 00	75 00	
	10	Bills Pay.,	Our 30-ds. note on int.,	✓							5000 00
		Mason, J. L.,	Inv. 7th, disc'td,	23		79	77 71				
	12	Furnishings,	J. M. Lowe,	✓						75 00	
	12	Gloves,	Elder & Bliss,	✓				39 00			
	18	Ford & Co.,	June 10, 750.00,	16	37 50		712 50				
					72 30	*8 97*	1502 52	219 00	180 00	150 00	5000 00
	30	Gloves and Mitts,	Total cash sales,	✓						219 00	
		Knit Goods,	" " "	✓						180 00	
		Furnishings,	" " "	✓						150 00	
			Total per Sales Book, 1502.52 8.97 72.30	✓						*549 00*	549 00
		Accts. Rec.,	Collections,	83							1583 79
		Discount,	On Accts. Pay.,	56							132 00
		Interest,	" " "	42							30 27
			Cash for mo.,								7295 06
			June balance,								15146 84
											22441 90

The total cash department sales are not posted from the Cash Book, but from the Accounts Receivable Book. (*See illustration, page 160.*)

keeper also recorded the terms, "60 days net," and counting forward 60 days from June 2d he determined that the amount would be due in August, and he immediately entered in the Total column of the August division, in black ink, the amount of the bill, 219.50. Continuing he determined O. M. Carr's bill to be due in July, and at once wrote 175.29 in the Total column for July.

[39]At the end of the month the proprietors can anticipate the probable total collections for July. [40] If any customers fail to settle in July the amount would, of course, be less; [41] but should bills due in August and subsequent months be discounted in July, the amounts received on account would be more.

Next observe that there is due on the 2nd of July 175.29, from O. M. Carr. A statement having been mailed, doubtless a few days before, on the 2d a remittance comes to hand. [42] This is first entered in the "Net Cash" column of the Sales Ledger division of the Cash Book (*see illustrated Cash Book, page 162*), and, [43] turning to the Accounts Rec. Book, the amount is entered in the "Cash" column for July. [44] This indicates that it is paid.

Long & King's bill was not due until October, and even then would be subject to a discount of 6%. By paying three months earlier Long & King would be entitled to $1\frac{1}{2}\%$ interest on the net amount due October 10, which is 94% of the 580.00. They say in their letter "Enclosed find draft on N. Y. to pay inv. June 2d $580, less 6% discount, $34.80, less $1\frac{1}{2}\%$ interest on $545.20, $8.18 — Five Hundred Thirty-seven and $\frac{2}{100}$ Dollars." An entry is made for the above in the Sales Ledger division of the Cash Book as follows: Long & King, Disct'd inv. June 5, 34.80, in discount column, 8.18 in interest column and 537.02 in Net Cash column. The next entry is made in similar columns of the July division of the Accounts Receivable Book, and then with red ink the book-keeper draws a line through the amount in the October column. [45] This indicates "not settled in this month but settled at some other time." [46] Settlements are made sometimes earlier and sometimes later than maturity, as in the case of Evans & Co's. account, which was due in Oct. and would be past due Nov. 1st.

Turn now to the Cash Book and examine the footings of the columns in the Sales Ledger division. Discount foots 72.30; Interest, 8.97; Net Cash, 1502,52; and the total to the credit of Accounts Rec. is 1583,79. Turn to the Accounts Rec. Book, and notice that the columns of Discount, Interest, Cash and Total agrees with the Cash Book footings. [47] Should a collection be entered in the Cash Book

CASH BOOK.

DATE.	ACCOUNT.	EXPLANATION.	LED. FOL.	PURCHASE LEDGER. CONTRA. DIS.	PURCHASE LEDGER. CONTRA. INT.	PURCHASE LEDGER. NET CASH.	GENERAL LEDGER. TRAVELING EXP.	GENERAL LEDGER. OFFICE EXP.	GENERAL LEDGER. GEN-ERAL.
189-.									
July 1	Traveling Expense,	Report,	✓				53 08		
8	Office Expense,	Per Expense Book,	✓					17 50	
10	Moore & Jones,	Dis. Inv. June 2,	30	36 00	8 46	555 54			
15	Office Expense,	Per Expense Book,	✓					28 75	
15	Moore & Jones,	Due Oct. 10, 1600.00.	30	96 00	21 81	1482 19			
18	Traveling Expense,	Report,	✓				56 04		
22	Office Expense,	Per Expense Book,	✓					52 75	
30	Office Expense,	Per Expense Book,	✓					61 88	
30	Salary account,	Per pay roll,	38						230 00
				132 00	*30 27*	2037 73	109 12	160 88	230 00
30	Traveling Expense,	Total for mo.,	37						109 12
30	Office Expense,	" " "	51						160 88
	Accounts Payable,	Total settlements, Discount, 132.00; Interest, 30.27; Cash, 2037.73	63						2200 00
	Interest — contra,	" on collections, Accts. Rec.,	42						8 97
	Discount, contra,	" " "	56						72 30
	Balance,	*In safe, 345.42*							2781 27
		" bank, 19315.21							*19660 63*
									22441 90

and omitted in the Collection Register a comparison of the footings at the end of the month or at any time would disclose the error, [48] On the other hand should a false or fictitious entry be recorded in the Collection Register the same test would disclose it.

[49] You will now also observe that the debit footings of the Accounts Rec. Book exactly tally with the debit side of the Abstract, and that the sum of the footings of the Collection Register and the Cash Book exactly tally with the credit side of the Abstract. [50] For the purpose of making the Sales Book show the total volume of business for each month and also to make but one entry in the Mdse. accounts each month, the Cash Sales from the Cash Book are not posted direct to the Main Ledger, but are added to the sales "on time" in the Accounts Receivable Book and from it Knit Goods, Gloves and Mittens, and Furnishings are credited each in one amount.

[51] By this system of keeping an Accounts Receivable Book, much labor is saved, errors are less liable to occur, and at the same time a double check is had upon the Sales Ledger, making it almost impossible for an undetected error to be admitted into the books; and, if so admitted, the Trial Balance would immediately locate and disclose it,

[52] The **Accounts Payable Book** serves the same use in reference to purchase accounts as the Accounts Receivable Book does to sales accounts. The two books are substantially the same in form, the only difference being that the "Total" columns in the "When due" division of the Accts. Pay. Book are placed at the left of the "Disct." columns instead of at the right of the "Cash" columns. [53] In it are entered all purchases, and at the end of the month the total column is footed and credited to Accounts Payable, in the Main Ledger. [54] Each bill is entered separately in the column of the department for which the purchase was made, and at the end of the month Gloves and Mittens, Knit Goods and Men's Furnishing Goods are debited for the footings. [55] The footing of the Accounts Payable column of the Cash Book for any one month should compare with the total footing of the special columns in the Accounts Payable Book for the same month; and this affords the same test of correctness and check upon the Purchase Ledger as are found in connection with the Sales Ledger.

Department Books. [56] In the Jobbing business each department is in charge of a superintendent who is responsible to the concern for the success or failure of his department. In most cases the matters of buying and marking goods are left wholly to him. All bills of purchase and the freight on

DEPARTMENT SALES BOOK.

KNIT GOODS.

RECORD OF SALE.													KNITTED UNDERWEAR.									
			INVOICE.									COTTON.				MERINO.				WOOLEN		
DATE.	NAME AND ADDRESS.	HOW SENT.	NO.	TERMS.	DOZ.	PRICE	AMT.	FOL.	ON ACCT.	CASH.	63	65	67	69	70	71	73	75	80	81	83	85
189–.																						
July 1	Carr, O. M.,	Conn. River Packet Co.,	71	4 mos. net. Oct. 1, 6-10 5-30	12	3 50	42 00								12	12						
	Hartford.	Case # 375	70		12	3 50	42 00															
			65		12	3 50	42 00					12										
			63		12	3 50	42 00															
			69		24	2 75	66 00							24								
			67		24	2 75	66 90	8	300 00				24									
15	Ford & Co.,	Troy Line.	63	4 mos. net. Oct. 1, 6-10 5-30	3	3 50	10 50					3										
	Troy.	Case # 376	65		3	3 50	10 50						3									
			67		6	2 75	16 50							6								
			69		6	2 75	16 50								6							
			70		3	3 50	10 50									3						
			71		3	3 50	10 50	8	75 00								3					
20	Elder & Bliss,	Erie R. R.	63	Regular.	5	3 50	17 50					5										
			65		5	3 50	17 50						5									
	Cornell.	Case # 377	67		10	2 75	27 50							10								
			69		10	2 75	27 50	C.B.		90 00				10								
31	Been Bros.,	West Shore.	63	Regular.	5	3 50	17 50					5										
			65		5	3 50	17 50						5									
	Utica.	Case # 378	67		10	2 75	27 50							10								
			69		10	2 75	27 50	C.B.		90 00				10								
									375 00	180 00												
									375 00													
									180 00													
										550 00												
					180				550 00	550 00	25	25	50	50	15	15						

DEPARTMENT STOCK BOOK.

GLOVES AND MITTENS.

DATE.	SUMMARY.	BUCK.				KID, CALF AND COLT.							
		GLOVES.		MITTS.		SUEDE.		DOMESTIC.		IMPORTED.			
		850	860	870	885	905	908	930	941	950	955	960	965
		660	620	615	612	736	732	724	735	740	741	743	744
189–.													
July 31	Purchases and balance stock on hand,				125			25	264	61½	140	20	425
	Total Sales for the month, S. B. Fol. 12,				25			19	14	11½	14	15	20
Aug. 1	Balance Stock on hand, per Inv.,				100			6	250	50	126	5	405
31	August purchases,												

same are charged to his department in the Purchase Book, and from the Department Sales Book his department is credited for all sales. [57] The Department Sales Book illustrated on page 164, is the form used in this set. [58] It will be observed that it is a Sales Book in detail, and also that shipments are made from it direct. [59] At the right, under the heading "Knitted Underwear," is a form of Stock Book with special columns. [60] Not only are the several grades of Cotton, Merino and Woolen underwear kept in total, but a record of each particular number is also kept. During the month a total of 180 dozens were sold, consisting of 25 doz. No. 63, 25 doz. No. 65, etc., as shown by the footings. [61] These totals are deducted from the totals on hand July 1st in the Department Stock Book of Knitted Underwear. (*See form of Stock Book above.*) [62] In this Stock Book are deducted the sales and are added the purchases as represented in the Coal set. [63] The balance should show, at any time, the exact number of dozens of each kind on hand. The same is true of the Department Sales and Stock Books of Gloves and Mitts and Furnishings. [64] From these books charges are summarized in the general Sales Book or Accounts Rec. Book.

SALES LEDGER.

O. M. CARR, Hartford, Conn.

DATE.		INVOICE.		FOL.	DEBIT.		CREDIT.		FOL.	DATE.		PAYMENTS.	
189–.										189–.			
July	1	Gloves & K. G.,	Oct. 1, 6/10, 5/30	3	900	60	900	60	37	Aug.	10	Draft No. 875, N. Y.,	838.09
												Interest, 2 mos.,	8.47
												Dis. 6 per cent. on Inv.,	54.04
Aug.	1	Gloves,	Oct. dating.	8	950	00	950	00	39		13	Draft No. 1162, N. Y.,	884.07
					1850	60	1850	60				Interest, 2 mos.,	8.93
												Dis. 6 per cent. on Inv.,	57 00
	1	Furnishings,	30 ds. net.	8	116	00							
			Bal., 116.00										

When three Ledgers are called for in any business, they are usually three separate volumes. Sometimes, however, one book is used, the book being divided into three divisions. When the General Ledger is a separate book, it is often expensively made, with the front edges of the cover fastened together by clasps and locked with padlocks. The book is opened for posting only once a month, and the accounts are closed but once a year. The clerical force of the office know nothing of its contents, and often not even the confidential book-keeper knows anything of its contents, the totals of the other books being posted to it and the full record kept in it by a member of the firm.

CONTINUOUS TRIAL BALANCE.

JUNE TO DECEMBER

FOLIO.	LEDGER ACCOUNTS.	JUNE.				JULY.				AUGUST.			
		BALANCE AND DR.		BALANCE AND CR.		BALANCE AND DR.		BALANCE AND CR.		BALANCE AND DR.		BALANCE AND CR.	
	Balance,			*40000*	*00*			*40000*	*00*			*40000*	*00*
1	Stock,												
						12775	*00*			*12420*	*41*		
5	Accounts Receivable,	12775	00			1229	20	1583	79				
								2300	*00*			*7091*	*00*
10	Accounts Payable,	4628	00	6928	00	2200	00	6991	00				
		20000	*00*			*15146*	*84*			*19660*	*63*		
13	Cash, (From cash book.)			4853	16	7295	06	2781	27				
		6000	*00*			*6000*	*00*			*6000*	*00*		
20	Real Estate,												
		2500	*00*			*4558*	*50*			*5645*	*90*		
21	Furnishing Goods,	3228	00	1169	50	1391	00	303	60				
		6200	*00*			*804*	*50*			*1184*	*90*		
29	Gloves and Mittens,	1800	00	7195	50	1600	00	919	60				
		3500	*00*			*990*	*00*			*4435*	*00*		
35	Knit Goods,	1900	00	4410	00	4000	00	555	00				
		1800	*00*			*1800*	*00*			*1800*	*00*		
39	Furniture and Fixtures,												
								216	*56*			*276*	*26*
40	Discount,			216	56	72	30	132	00				
								58	*28*			*79*	*58*
46	Interest,			58	28	8	97	30	27				
						125	*00*			*234*	*12*		
52	Traveling Expenses,	125	00			109	12						
						175	*00*			*335*	*88*		
55	Office Expense,	175	00			160	88						
						200	*00*			*430*	*00*		
57	Salary,	200	00			230	00						
												5000	*00*
62	Bills Payable,							5000	00				
68	Bills Receivable,												
	Balances, previous month,	*40000*	*00*	*40000*	*00*	*42574*	*84*	*42574*	*84*	*52446*	*84*	*52446*	*84*
	Total month's business,	24831	00	24831	00	18296	53	18296	53				

Price Lists. [65] On page 166 are represented the price lists of the different departments. [66] Two keys are used, one for marking the cost price of goods, called the Buying Key, and one to indicate the selling price, called the Selling Key. [67] The Buying Key is made from the word "handsomely." [68] It will be noticed that there are ten letters in the word and that each letter is different; that is, that

CREDIT INDICATOR, AND ABSTRACT SALES LEDGER.

JUNE TO DEC., 189–.

	SALES LEDGER.	JUNE.			JULY.			AUGUST.		
	NAME.	DR.	CR.	BAL.	DR.	CR.	BAL.	DR.	CR.	BAL.
1	Mason, J. L.,	219 50		219 50	78 50	78 50	219 50			
2	Carr, O. M.,	175 29		175 29	900 60	175 29	900 60			
3	Long & King,	580 00		580 00		580 00				
4	Wood, W. O.,	10950 21		10950 21			10950 21			
5	Ford & Co.,	750 00		750 00	175 00	750 00	175 00			
6	Evans & Co.,	100 00		100 00			100 00			
7	Dodd & Nash,				75 10		75 10			
	Sales and Collections,	12775 00		12775 00	1229 20	1583 79	12420 41			
	Last month's,				12775 00					
	Cash sales,				*549 00*					
	Volume of sales,				14553 20					

PRICE LIST.

KNIT GOODS DEPARTMENT.

1 2 3 4 5 6 7 8 9 0
BUYING KEY, HANDSOMELY. REPEATERS, R AND I.

STOCK.	COTTON.						MERINO.						WOOLEN.					
KIND.	MENS.		WOMENS.		CHILD'S.		MENS.		WOMENS.		CHILD'S.		MENS.		WOMENS.		CHILD'S.	
STYLE.	W.	D.	W.	D.	W.	D.	W.	D.	W.	D.	W.	D.	W.	D.	W.	D.	W.	D.
MANUFACTURERS NO. AND COST, WITH KEY.	30	31	33	35	37	39	40	41	43	45	47	49	50	51	53	55	57	59
	n.yr	n.yi	a.sy	a.sy	a.yr	a.yi	a.sy	a.sy	a.yi	a.yr	h.sy	h.si	d.yr	d.yi	n.sy	n.sr	a.sy	a.sy
OUR NO. AND SELLING PRICE.	60	61	63	65	67	69	70	71	73	75	77	79	80	81	83	85	87	89
	m.be	m.bo	i.sb	i.sb	t.cs	t.cs	i.sb	i.sb	t.cs	t.cs	t.be	t.bo	s.eb	s.ob	m.cs	m.cs	i.sb	i.sb

1 2 3 4 5 6 7 8 9 0
SELLING KEY, HTIMSKCALB. (READ BACKWARDS.) REPEATERS, O AND E.

PRICE LIST.

FURNISHING GOODS DEPARTMENT.

PER DOZEN.		COST. NO.	COST. PRICE.	SELLING. PRICE.
SHIRTS	Laundered,	14	m sy	hb oe
	Night,	15	hy ri	ht bo
	Négligé,	16	ai yr	ta bo
COLLARS,	Turndown,	A.	h em½	t os
	Standing,	W. B.	h em½	t es
CUFFS,	Linen,	xxx.	h as	h ab
TIES,	Black,	No. 1.	n sy	m cs
	Assorted,	No. 2.	n ms	s bo
	Four-in-hand,	No. 3.	n ms	s be
HOSE,	British,	147	h ms	t os
	Lisle Thread,	148	a rs	i bo
	Silk,	149	s iy	c ts
	Merino,	150	h sy	t bo
	Scotch Wool,	170	d yi	k be

PRICE LIST.

GLOVES AND MITTS.

	BUCK.								KID.							
	GLOVES.				MITTS.				SUEDE	DOMESTIC.			IMPORTED.			
	PLAIN.		FLEECE.		LINED.		UNL'ED.			OUT S'M.		IN SEAM.	LINED.		UNL'ED.	
COST.	1.yi	842	e.yi	843	850	ha.yi	855	hs.yr	870	e.yi	875	e.sy	885	d.yr	880	d.sy	906	o.yr
SELLING.	hm.be	694	ht.bo	693	ha.be	645	tb.eo	643	ht.be	615	ht.bo	614	k.bo	612	k.so	613	l.bo	725
	n.yr	930	n.sy	931	a.yr	941	a.sy	940	d.sy	970	o.ri	950	e.yr	955	hy.ri	960	s.yr	965
	m.cs	724	s.be	726	i.bo	735	i.sb	730	k.be	748	hb.eo	750	ht.be	741	hk.bo	746	a.bo	744

no one letter is used the second time. [69] It will be seen that each of the ten figures of the Arabic Notation is represented by a letter. [70] The first letter, h, represents the figure 1 — a, represents 2, and

so on, the last letter representing 0. To apply directly, notice that Men's No. 30 is worth 3.00. This would be written under the key "n. y y.," [71] but to make the key difficult to read one or two letters not found in the key word, which are called repeaters, are used when letters would otherwise be repeated. [72] The cost repeaters are r and i. Instead, therefore, of writing as above, write n. y r, or n. y i, which in either case means 3.00. [73] Usually the cost price and selling price are written one above and the other below the line on a tag or upon a paster or box, as follows: Men's No. 30 $\frac{\text{n. y. r.}}{\text{m. b. e.}}$ and is understood at a glance: cost 3.00, sells for 4.00.

Partners.—[74] The partners in this set are W. A. Woodward and James W. Goddard, under the firm name of Woodward & Goddard. The Trial Balance shown on page 165 gives only the name of Stock, there being no separate account in the Main Ledger with each proprietor. But in this capital of 40000.00 each partner has an equal interest and each shares equally in the net loss or the net gain of the business.

During the month of July no sums had been withdrawn by either partner on private account, but during the month of August a private account with each partner will be opened, and at the end of the month the net loss or the net gain of each will be entered in their respective accounts.

Special Instructions. Before beginning work on the Memoranda for August it will be necessary for the student to bring forward into his books the balance as shown in the illustrated set. In business, the book-keeper in assuming charge of a set of books would, among other things, simply test the accuracy of the last trial balance and the abstracts and then continue the record in the books already opened.

Now open such acct. in your Main Ledger as appear in the trial balance, excepting cash acct. giving to each account one-fourth of a page space. Enter the balance only of each account in the Ledger, under date of August 1. Write for explanation, "Balance per Ledg. A." After transferring all of the balances from the trial balance to the Main Ledger, test the correctness of the work by taking off a trial balance. Record the trial balance in the Continuous Trial Balance sheet which you will find in your Trial Balance Book. In addition to the name of the account write the Ledger folio as you have it in your Ledger, and enter the balances in the first column in *red* ink. Write the amount above the line high enough to write underneath and on the line at the end of the month the figures representing the month's business, if any, for each particular account. Do not copy the trial balance from the illustration, but compile it from your own Ledger. *Do not enter investments in partners' private accts.*

Sales Ledger.—Your trial balance exhibits an aggregate balance due from customers of 12420.41. By referring to the abstract of Sales Ledger illustrated on page 166, it will be seen that the balance column for the month of July foots the same, and this abstract shows in detail the accounts which belong in the Sales Ledger. You will now open these accounts in the Sales Ledger, carry in the balances, and when posted take off an abstract. Head the first money division of your abstract "July" and enter the balances in the third or balance column. See that the footing of this column agrees with the balance of Accounts Receivable account in the Main Ledger.

Accounts Receivable Book.—It is evident that the amount, 12420.41 represented by the accounts in the Sales Ledger is for accounts not yet due, and that these should be found in the Accounts Receivable Book, from which collections are made.

By consulting the Accounts Receivable Book illustrated on page 160, it will be seen that there are coming due in different months the following accounts: In August,—J. L. Mason, June 2, 60 da., 219.50; W. O. Wood, June 8, 60 da., 200.00; Dodd & Nash, July 1, 30 da., 75.10; Ford & Co., July 3, 30 da., 175.00. In October, W. O. Wood, June 8, due Oct. 1, 6% 10 da., 5% 30 da., 10450.00; Evans & Co., June 10, due Oct. 1, 6% 10 da., 5% 30 da., 100.00; W. O. Wood, June 10, due Oct. 1, 6% 10 da., 5% 30 da., 300.21; O. M. Carr, July 1, due Oct. 1, 6% 10; 5% 30 da., 900.60.

Enter the above in the Accounts Receivable Book as follows: Under the heading "Name" write "From Book A," and underneath this write the names of the above accounts. Next extend the time and discount into the "Terms" columns, and the amounts of the first four accounts into the "Total" column of the "August" division of the book, and the amounts of the remaining accounts into the "Total" column of the "October" division. The other columns are to be left blank for the present. Foot in pencil the total columns for August and October, and see if their sum agrees with the footing of the Abstract of the Sales Ledger.

The Accounts Payable Book.—In working out the memoranda of this set it is deemed unnecessary to keep a Purchase Ledger, as the Accounts Payable Book furnishes all the desired information regarding creditors' accounts. By referring to the trial balance on page 165, it will be seen that there are creditors' accounts unpaid to the amount of 7091.00. These accounts are due as follows: In August,—Boswell & Johnson, June 5, 60 da., 1700.00; Boswell & Johnson, July 5, 30 da., 575.00; C. B. Smith & Co., July 5, 30 da., 816.00. In October,—Bixby & Co., July 1, Oct. 1, 6% 10 da., 5% 30 da., 4000.00. You will now open the Accounts Payable Book in the same manner as you did the Accounts Receivable Book and prove it by comparing the sum of the footings with the balance of Accounts Payable account in the Main Ledger.

Stock Books.—The Department Stock Books may or may not be used in working out this set at the discretion of the teacher.

Cash Book and Check Book.—Open the Cash Book by entering in it the balance of cash as shown by the Cash Book illustrated on page 163. Extend the amount into the General column. Enter on the stub of the Check Book the balance in bank as also shown by the Cash Book illustrated on page 163.

Posting the Books.—The current debit and credits should be posted at the end of each memorandum date. The special columns should be footed and posted at the end of the month. Preparatory to this the following should be observed: Commencing with the Knit Goods Department Sales Book check the total debit of each individual sale into the Accounts Receivable Book, being careful to observe if the amount is extended into the special columns headed "Knit Goods." As each item in the department book is found to be correctly transferred check it thus √ in the Accounts Receivable Book, in the column at the left, headed "Check."

Check in the same way the entries from the other department books. Then foot the special columns, summarize and post the footings as follows: Accounts Receivable and Cash To Knit Goods, Gloves and Mittens and furnishings. (*See illustrated Accounts Rec. Book, page 160.*)

See if the sum of the footings of the department columns of your Cash Book tally with the Cash column of the Accts. Rec. Book. If the Cash column and the Total Debit column in the Accts. Rec. Book together foot the same as the total footings of the three credit columns, the work may be considered correct.

Next the Accounts Payable Book should be footed. (The correctness of the entries in this book in business would be verified by checking the original invoices from the files into the Accounts Payable Book.) After footing the special columns summarize and post as follows: Knit Goods, Gloves and Mittens, and Furnishings To Accts. Payable.

Next strike a balance in your Main Cash Book. Balance in safe as per Daily Cash Balance, $——; Balance in bank, as per Memo. Bank column in Cash Book (verified by the stub balance in Check Book), ———; Balance Cash on hand as per balance brought down in Main Cash Book (verified by the sum of the balances in bank and in safe), ———.

Before posting the special columns of the Cash Book be sure to check the special department sales columns in the Cash Book with the Cash column in the Accounts Receivable Book.

MEMORANDA OF TRANSACTIONS FOR AUGUST.

AUGUST 1, 189–.

Paid, per check, Lewis A. Osborne's sight draft for 100.00 from Pittsburgh, for traveling expenses. (*C. B.—Traveling Expenses; Ck. B.*)

In business a memorandum account is usually kept with each traveling salesman for the purpose of knowing how much is expended by him for traveling purposes. The salesman is required to keep an accurate account of his expenses while "on the road" and to make daily, weekly, or monthly reports of the same to his "house."

It must be borne in mind by the student in writing up this set that he is not opening a set of books, but that the books are already open, and that the above remittance is to one already in the employ of the house when the student assumes the duties of book-keeper.

MEMORANDA OF TRANSACTIONS FOR AUGUST (Continued).

Paid the following petty expenses in cash: 1 paper pins, 10¢; stamps, 1.50; cleaning office, 2.50; ink, 1.00; mucilage, 75¢. (*Enter same in Petty Expense Book only.*)

The student should make a Petty Expense Book as follows: Take a sheet of cap paper and make two folds in it, one from the bottom and one from the side, then cut the edges and fasten together with a pin, after which rule date and money columns on each page. He will then have a book four by six inches in size, which will be sufficiently large for this set. This book is to be closed at the end of each week, and the footings are then to be entered in the Main Cash Book—"Office Expense, per Expense Book." In business where an Expense Book is used, when making up the cash daily, the footings of the Expense Book are added to the amount of cash in the drawer to determine the correctness of the entries already made in the Cash Book.

Paid the following freight bills, per check:—For Furnishing Goods Department, 15.18; Glove and Mitten Department, 45.95; Knit Goods Department, 27.75. (*C. B.—Furnishing Goods acct., 15.18; Gloves and Mittens acct., 45.95; Knit Goods, 27.75.*)

It will be observed that each department is charged with the cost of goods, freight, etc., and credited with the sales.

AUGUST 2, 189–.

Placed order with Moore & Jones, Boston, through their Mr. Tate, for Gloves and Mittens as follows:—On Oct. dating 6% 10 days, 5% 30 days or 4 mos. net from Oct. 1st:—40 doz. 955 Imported Kid, Lined, Plain Top; 25 doz. No. 960 Imported Kid, Lined, Fur Top; 100 doz. No. 941 Domestic Kid, Inseam; 50 doz. No. 930 Domestic Kid, Fleece Lined P. K. Prices same as price list. Goods are to be forwarded per M. D., by the 10th of this month. (*Memorandum only.*)

Received from W. O. Wood, draft on N. Y., for 5000.00, to apply on bill June 8th, due in October subject to discount. (*Enter in the Sales Ledger division of the Cash Book, thus:—*

	Disct.	*Interest.*	*Net.*
W. O. Wood, Inv. June 8, less 6% disct. and int.	322.92	59.02	5,000.00

Next enter the collection in the Accounts Rec. Book as follows: On the same line as the bill of W. O. Wood, due in Oct., 10450.00, enter in the August discount column, 322.92; in the Interest column, 59.02; in the "Net Cash" column, 5000.00; and in the "Total" column, 5381.94. Then take a ruler and draw a red line through the amount of 10450.00, which is entered in the October column, and immediately over these figures write the balance due on the bill, 5068.06. See illustration, page 161.)

It is evident in rendering a receipt for above remittance that credit must be given for a certain amount which, when discounted at 6% (the commercial discount offered to Wood), and the interest deducted for the time to run, the balance would equal 5000.00. The account is not legally due until Feb. 1st., according to the stated terms, which are Oct. 1st, 6—10; 5—30 or 4 mos. net. But even if discounted at 6%, it is not then due until Oct. 10th. W. O. Wood is entitled to interest on the net amount due October 10th. At 6% the interest on 1.00 for 70 days equals $1\frac{1}{6}$%, and therefore the 5000.00 equals $98\frac{5}{6}$% of the net amount of the invoice due Oct. 10th after the invoice has been discounted at 6%; and $5000.00 \div .98\frac{5}{6} = 5059.02$, which represents the debt after being discounted at 6%, but before the interest had been subtracted. It is evident then that the 5059.02 equals 94% of the amount to be credited, and that 100%, or the amount to be credited is found by dividing 5059.02 by .94 which gives 5381.94, the gross amount.

Proof.—Assume that he wishes to pay 5381.94 on the debt and save his 6% discount and interest for the time to run. Discount this at 6% and the discount is $5381.94 \times .06 = 322.92$, and the balance, or net amount due Oct. 10 is 5059.02. Deduct from this amount the interest calculated on the face for 70 days, which equals $5059.02 \times .01\frac{1}{6} = 59.02$, and 5000.00 remains to be paid.

It will be noticed that W. O. Wood has deducted from the face the interest instead of finding the present worth of the debt, which is equivalent to bank discount (excepting the three days of grace). The legal method would be to find the present worth, but the prevailing custom among business men is as has been represented here. The debtor decides that, inasmuch as the debt is not due until Oct. 10th, he need not pay the same until then; and that he is entitled to the same interest that the concern would be obliged to pay at the Bank should it borrow the amount on its own paper.

AUGUST 5, 189–.

Received from Moore & Jones, Boston, copy of an order reported by their Mr. Tate as having been given by us, as follows: 40 doz. No. 955; 25 doz. No. 960; 100 doz. No. 941; 75 doz. No. 930. Terms 6% 10 days, 5% 30 days, or two months net. Goods to be shipped Sept. 1st, 189–, per M. D. You are instructed by them to wire them at their expense if the order is not correct. (*See if the above checks with the order placed with Mr. Tate on the 2nd inst., and if not correct note difference and report same.*)

It is customary with jobbers to have traveling salesmen with whom they do business leave a copy of the order given, either on an order blank or in a book ruled for the purpose, and signed by the salesman for and in the name of the house that he represents.

MEMORANDA OF TRANSACTIONS FOR AUGUST (Continued).

Paid cash for bill heads, etc., 11.25; water bill, 3.25; repairing gas fixtures, 1.25. (*Expense Book.*)

James W. Goddard drew, per check, 100.00, for private use. (*C. B.—Private Acct.; Ck. B.*)

Received cash from Furnishing Goods Department, 225.00, for cash sale to Moses Bailey. (*Enter in Cash Book and extend amount into column headed "Furnishings" as follows: Furnishings—Moses Bailey, cash bill, 225.00.*)

The detail is not made of the above sale at this time by the book-keeper, but is supposed to have been made by the salesman in the department. The cash is sent to the book-keeper at the time it is paid. The sale is reported at the end of the day's business. In this set it will be reported in connection with several others at the end of a week's record. When the above sale is reported see that the detail foots the amount and that it is recorded as "paid" in the Department Book where the sale is made, otherwise Mr. Bailey will be charged in error.

Paid cash for postage, 3.00; for daily papers, 50¢; for street sprinkling, 2.00. (*Expense Book.*)

Deposited the draft received from W. O. Wood on the 2d inst., and currency, 400.00. (*Ck. B.*)

AUGUST 6, 189–.

The sales for the week as shown by the Department Sales Books are as follows:

From Furnishing Goods Department.—Aug. 1st., J. L. Mason, 30 days, M. D.: 10 doz. Laundered Shirts; 2 doz. Night Shirts; 12 doz. "A" Collars; 12 doz. XXX Cuffs; 3 doz. Four-in-hand Ties; 10 doz. British Hose; 5 doz. Scotch Wool Hose.

Ford & Co., Troy, N. Y., per Troy Line, 30 days net: 50 doz. W. B. Collars; 50 doz. XXX Cuffs; 10 doz. Lisle Thread Hose; 10 doz. Merino Hose.

Aug. 2nd., O. M. Carr, Hartford, per Conn. River Packet Co., 30 days net: 2 doz. Negligé Shirts; 5 doz. No. 1 Black Ties; 5 doz. Silk Hose.

Long & King, 30 days net, per M. D.: 5 doz. No. 14 Laundered Shirts; 10 doz. W. B. Collars; 5 doz. Night Shirts; 10 doz. XXX Cuffs; 5 doz. Negligé Shirts; 5 doz. Scotch Wool Hose; 3 doz. Assorted Ties; 5 doz. British Hose.

Aug. 3rd.—Evans & Co., 30 days, per Express: 10 doz. Laundered Shirts; 10 doz. Negligé Shirts.

Moses Bailey, 100 doz. British Hose for cash. "Paid." (Reported Cash sale on 5th.) (*Enter the above sales in the Furnishing Goods Department Sales Book.—See illustration, page 164.—Be careful to extend the amounts of time sales and cash sales into their proper columns. See Price Lists, page 166.*)

In determining when an invoice is due the student must appreciate the difference between a time bill dating from shipment, and one "dated ahead" or the October date. In recording a 60 day's bill from July 1st, for instance, it is entered as due in the September column, whether sold on Net terms or sold subject to discounts. But in recording a bill dated ahead — Oct. 1st, 6%, 10 days, 5% 30 days, or four months net — the sale is always made with an implied promise that *it is to be discounted*, and should the customer let the bill run to its legal maturing date the concern looks upon his credit as poor, for he has been paying over 19 per cent. per annum for money; therefore in entering all bills dated ahead enter them in the October column, as you have a right to anticipate collections for that month for nearly all, if not quite all, the full amount of the credit given.

Glove and Mitten Department.—Aug. 1st.—Elder & Bliss, Cornell, Oct. 1, 6% 10 da., 5% 30 da., 4 mos. net: Shipped per M. D. 10 doz. No. 612; 10 doz. No. 735; 5 doz. No. 743. Aug. 3d.—O. M. Carr, Hartford, per Conn. River Packet Co., Oct. 1, 6% 10 da., 5% 30 da., 4 mos. net. 50 doz. No. 735; 100 doz. No. 744. W. O. Wood, terms regular, per M. D., 100 doz. No. 735; 25 doz. No. 612; 200 doz. No. 744. (*Enter in Glove and Mitten Dept. Sales Book.*)

"Terms Regular," means that the usual terms of time and discount in this department, are given, which are 6% discount if paid within 10 days after Oct. 1st, or 5% discount if paid within 30 days after Oct. 1, or 4 mos. net. The same rate of discount, but on one, two, or three months Net from Oct. 1st, would not be "regular."

Knit Goods Department.—Aug. 3d.—W. O. Wood, per M. D., 6% 10 days, 5% 30 days, 3 months net:—10 doz. No. 63; 10 doz. No. 65. Aug. 5th.—Conn & Koehler, Boston, per Shore Line, terms regular:—50 doz. No. 67; 50 doz. No. 69. (*Enter in Knit Goods Dept. Sales Book.*)

The object of this set is to suggest, and, so far as possible, to indicate the manner of keeping department books as they are kept in large Jobbing concerns where order, system, and division of labor are necessary. The student should carefully observe the illustrated forms, and in working out the memoranda he should give special attention to the mechanical part of the work. You will not be required to use the stock columns in the Sales Books in working this set.

After the department books are footed, copy the sales into the general Sales Book or Accounts Receivable Book, as it is called, and carefully extend the amount of each sale into the proper column

MEMORANDA OF TRANSACTIONS FOR AUGUST (Continued).

of Knit Goods, Furnishing Goods or Gloves and Mittens, as the case may be, and enter the total of the invoice in either the Time or Cash column according to the terms of sale. State accurately the terms and extend the amount to be collected into the Total column of the month in which it matures.

When sales are made from two or more departments to one person or firm at one time and the time and terms of credit are the same, the several amounts can be included in one charge to the purchaser on one line, extending the credits to the different department columns as illustrated in the Accounts Receivable Book on page 160. But as the terms are often different and as invoices are always rendered separately from the different departments, it is better, for obvious reasons, to charge a customer for each purchase separately in transferring from the department books to the Accounts Receivable Book.

Close the Petty Expense Book to date and enter footing, 27.10 in the Main Cash Book.

AUGUST 8, 189–.

Paid, per checks, the following bills: Taxes on real estate for the year, 180.00. (*Real Estate acct.*)

Browning, Kenney & Co. for 2 sample tables, 9.50 each; Greenleaf & Co. for 2 sample cases, 3.50 each. (*Furniture acct.*)

Graves & Munson, bill cards and circulars, 42.82. (*Office Exp.*)

Received cash from Furnishing Goods Department for cash bill to Jones & Rice, 125.00, and for cash bill to J. C. Durfee, 250.00. (*Furnishing Goods acct. See explanation, Furnishings, 3rd inst., Moses Bailey.*)

Received from Boswell & Johnson, invoice and B/L of goods as follows: Dated Aug. 3rd, 30 ds. Net: 25 doz. Laundered Shirts; 15 doz. Negligé Shirts; 25 doz. Night Shirts. (*Find total of bill and enter in the Accounts Payable Book, observing the same care as required in the Accounts Receivable Book.*)

Although the goods have not arrived the invoice is credited because the purchase price and terms of credit are correct and because the bill of lading (B/L) guarantees that the goods are in transit. If now, upon receiving the goods, there is a shortage in count, or goods are damaged, the facts will be reported back and, based upon commercial usage, a "credit memorandum" will be mailed you by Boswell & Johnson, for which you will charge them in account and file as a voucher.

There is a decided difference between a "Credit Memorandum" and a "Corrected Invoice." Had there been an error in the above bill, either in price or terms, you should have at once returned the bill for correction and when returned duly corrected, there should be endorsed across the invoice, usually in red ink, the words "Corrected Invoice." The invoice in error is never entered in account,—only the corrected invoice, but for shortage or discounts, for damage, etc., the gross amount of original invoice is credited, and shortages or discounts are charged back when credit memorandums are received.

Received from C. B. Smith & Co., Philadelphia, invoice and B/L: 125 doz. British Hose; 125 doz. Lisle Thread Hose; 15 doz. Silk Hose; 50 doz. Merino Hose; 25 doz. Scotch Wool Hose. Inv. dated Aug. 6th, 60 days net.

Received from Mandell, King & Co., Providence, invoice and B/L: 100 doz. Black Ties; 50 doz. Assorted Ties; 25 doz. Four-in-hand Ties. Inv. Aug. 6th, 30 days net.

Paid, per check, Boswell & Johnson's bill, June 5th, 60 days net, 1700.00, and the one due July 5th, 575.00, 30 days net. (*C. B., Acct. Pay. Book and Ck. B.*)

Paid, per check, Bixby & Co.'s invoice, July 1st, on October dating, 4000.00, less discount, 6% and less interest for two months, or 1%, from balance.

Received the following remittance on acct. per drafts on N. Y.: W. O. Wood for Inv. June 8th, due Aug. 8th, 200.00; Ford & Co. for invoice July 3rd, 30 days net, 175.00. (*Enter in C. B. and in Accts. Rec. Book, as per illustration.*)

AUGUST 10, 189–.

Moore & Jones write that the order reported from Mr. Tate has been changed so as to conform to the facts as reported by you to them, in answer to their notice of order on the 3rd inst. They enclose invoice 920.00, and B/L for goods under date Aug. 5th.

MEMORANDA OF TRANSACTIONS FOR AUGUST (Continued).

Received the following remittances in drafts on N. Y.: W. O. Wood to balance bill June 8th, on October dating, of 10450.00, less credit of Aug. 2nd, 5381.94; leaving a balance now to be discounted of 5068.06; and full amt. of inv. June 10th, Oct. dating, 300.21; total to be discounted, 5368.27. discount, 6%, 322.10; interest off, 2 mos. 50.46; dft. for balance, 4995.71.

From J. L. Mason to balance invoice June 2nd, 60 days net, 219.50.

From Evans & Co. inv. June 10th, October dating, 100.00, less terms of discount and interest for 2 months.

AUGUST 13, 189–.

Received from Moore & Jones, invoice and $^{B}/_{L}$ of goods bought on Oct. dating, 6% 10 da., 5% 30 da., 4 mos. net: 25 doz. No. 965 (our number, 744). Invoice dated Aug. 10.

From Bixby & Co., terms regular, Oct. dating; 50 doz. No. 43; 50 doz. No. 45; 40 doz. No. 50; 40 doz. No. 51; 25 doz. No. 53; 25 doz. No. 55. Invoice dated Aug. 10th.

Discount above bills and take off interest for 58 days. Pay net amount per check.

The sales for the week in the several department books are as follows:

Mens Furnishing Goods.—M. E. Thompson, Scranton, Penn., per M. D., 30 days net: 100 doz. XXX Cuffs; 10 doz. Laundered Shirts; 5 doz. Negligé Shirts.

Jones & Rice, for cash, 25 doz. Assorted Ties. "Paid."

David E. Camp & Co., Hartford, Conn., per Conn. River Packet Co., 60 days, 2% disct. 10 days: 5 doz. Laundered Shirts; 5 doz. Negligé Shirts; 5 doz. Night Shirts; 10 doz. "A" Collars; 10 doz. W. B. Collars; 20 doz. XXX Cuffs; 10 doz. Four-in-Hand Ties; 5 doz. British Hose; 5 doz. Lisle Thread Hose; 5 doz. Silk Hose; 10 doz. Merino Hose; 10 doz. Scotch Wool Hose.

Ackley & Bennett, Geneva, N. Y., 30 ds. net, per M. D.: 10 doz. Black Ties; 10 doz. British Hose; 25 doz. W. B. Collars.

John C. Durfee, Syracuse, per Express, for cash: 25 doz. Laundered Shirts.

Moore & Co., Pougkeepsie, N. Y., 60 days, 2% 10 days: 1 doz. Negligé Shirts; 1 doz. "A" Collars; 1 doz. Lisle Thread Hose; 5 doz. XXX Cuffs.

Rolfe & Billings, Watertown, N. Y., per M. D., on acct. 30 days net: 10 doz. Merino Hose, No. 150; 10 doz. Lisle Thread Hose, No. 148.

Gloves and Mittens.—H. M. Thomas, Bangor, Me., per steamer, Oct. 1, 6% 10 da., 5% 30 da., and discounted upon shipment: 25 doz. No. 612; 25 doz. No. 735; 50 doz. No. 744. Made sight draft for net amount, attached $^{B}/_{L}$ to draft and deposited same in bank. (*Discount gross amount of sale 6%, and from the balance, or 94% of sale deduct the interest for two months, or 1% for the time. Enter as cash sale in Department S. B. and in C. B. Enter also in Ck. B.*)

Sales like the above are sometimes made where the credit of the purchaser is poor. The usual dating, with rate of discount is given as a basis for determining the net amount for which to settle. For instance, the net amount of a bill of goods for 10.00, sold on an October dating, subject to 6% discount for cash, is 9.40. If now the purchaser wishes to pay this 2 months before it is due, he deducts 1% additional.

Received draft on New York from Dodd & Nash, for invoice July 1, 30 days net, 75.10.

O. M. Carr has discounted his bill of July 1st, 900.60, due Oct. 1st, less discount 6%, and interest. Amount of draft, 838.09; discount, 6%, 54.04; interest 2 mos., 8.47; total credit, 900.60.

Paid the following accounts per check: Boswell & Johnson, Aug. 8th, 30 ds., 767.50, less interest for 1 mo. ½%; C. B. Smith & Co., Aug. 8, 60 ds., 757.50, less interest for 2 mo. 1%, 7.58; Mandell, King & Co., invoice Aug. 8th, 30 ds., 631.25, less interest for 1 mo., ½%.

Paid our note of 5000.00 and interest for 33 da. per check.

AUGUST 17, 189–.

Received from Frank Towne cash, 37.20, for cash bill from Glove and Mitten Department. (*C. B.—Glove and Mitten Department.*)

Received the following remittances in N. Y. dfts. on account: O. M. Carr, inv. 3d inst., Gloves, less 6%; W. O. Wood, Inv. 3d inst., Knit Goods, less 6%, and less interest on each for 2 mos. or 1%.

MEMORANDA OF TRANSACTIONS FOR AUGUST (Continued).

(*Enter in the Cash Book in detail, placing the discount on each bill in the Discount column, the interest in the Interest column, and the net amount of remittance in the Net Cash column. Next enter the above in the Accounts Receivable Book, in the column headed "August," observing to enter the amounts in the Interest, Discount, Net Cash and Total columns respectively.*)

It will be observed that these special columns in the Cash Book under the heading "Sales Book" should exactly tally with the special columns in the Accounts Receivable Book, and while the footings are posted only at the end of the month, pencil footings are made daily. This will prevent errors from being covered up for any length of time and this is the one thing for the young book-keeper to learn — to find his own errors (for errors will occur) before they are found by others.

Deposit all the N. Y. drafts on hand, and currency, 250.00.

AUGUST 20, 189–.

The following sales have been made for the week:

Glove and Mitten Department.—Terms regular. Been Bros. on acct., per M. D.: 6 doz. No. 724, 20 doz. No. 612, 15 doz. No. 735, 10 doz. No. 744.

J. L. Mason, on acct., M. D.: 25 doz. No. 744, 5 doz. No. 741, 5 doz. No. 612, 5 doz. No. 735.

S. M. Howe, on acct., M. D.: 25 doz. No. 744, 25 doz. No. 735.

Frank Towne, cash, less 7%: 5 doz. No. 744. Paid.

M. L. Bonner, Bridgeport, Ct., on acct., per express: 1 doz. No. 612, 1 doz. No. 735, 1 doz. No. 743, 1 doz. No. 744, 1 doz. No. 724.

Furnishings.—Ingraham & Co., Watertown, N. Y., on acct., 30 ds.: 5 doz. Night Shirts, 5 doz. Laundered Shirts, 1 doz. Negligé Shirts, on acct., 30 ds.

Williams & Kemp, Utica, on acct., 30 days, per M. D.: 5 doz. Negligé Shirts, 10 doz. Night Shirts, 10 doz. Lisle Thread Hose.

Knit Goods Department.—Dale & Co., Auburn, N. Y., per M. D. Terms regular. Oct. 1, 6% 10 da., 5% 30 da., 4 mos. net: 10 doz. No. 63, 10 doz. No. 65, 10 doz. No. 67, 10 doz. No. 69, 5 doz. No. 83, 5 doz. No. 85.

Devendorf & Smalley, Rutland, Vt., on acct. Terms regular, per Peoples Line & M. D.: 50 doz. No. 63, 50 doz. No. 65, 25 doz. No. 83, 25 doz. No. 85.

Benj. Vaughn, Sons & Co., Rome, N. Y., on acct. Terms regular, per M. D.: 25 doz. No. 80, 25 doz. No. 81, 25 doz. No. 67, 25 doz. No. 69.

F. W. Morey, on acct., 30 ds.: 40 doz. No. 73, 40 doz. No. 75, per M. D.

Chas. E. Howe & Co., on acct., 30 ds., per M. D.: 10 doz. No. 83, 10 doz. No. 85.

L. M. Brown & Co., Syracuse, N. Y., per M. D., on acct., 60 ds.: 40 doz. No. 73, 40 doz. No. 75.

Van Nostrand & Co., on acct., 60 ds., per M. D.: 25 doz. No. 80, 25 doz. No. 81, 25 doz. No. 67, 25 doz. No. 69.

Received cash from David E. Camp & Co., for invoice 13th inst., less 2% discount, and from Moore & Co., for invoice 13th inst., less 2%.

AUGUST 27, 189–

Following are the sales for the week:

Furnishings.—O. M. Carr, 30 ds. net: 5 doz. No. 14 Shirts, 8 doz. No. 15 Shirts, 2 doz. No. 16.

Evans & Co., 60 days net: 7 doz. A. Collars, 5 doz. W. B. Collars, 3 doz. XXX Cuffs.

J. L. Mason, 30 ds. net: 5 doz. No. 1 Ties, 3 doz. No. 2 Ties, 12 doz. No. 3 Ties, 5 doz. No. 147 Hose, 12 doz. No. 148 Hose, 5 doz. No. 149 Hose, 19 doz. No. 150 Hose, 5 doz. No. 170 Hose.

Gloves and Mitts. — Elder & Bliss, Oct. 1, 6% 10 ds., 5% 30 ds., 4 mos. net: 4 doz. No. 612, 9 doz. No. 724, 19 doz. No. 735.

S. M. Howe, Oct. 1, 6% 10 ds., 5% 30 ds., 4 mos. net: 1 doz. No. 741, 4 doz. No. 743, 4 doz. No. 744.

W. O. Wood. Terms regular: 5 doz. No. 612, 10 doz. No. 724, 25 doz. No. 735, 10 doz. No. 750, 60 doz. No. 741, 10 doz. No. 743, 5 doz. No. 744.

Knit Goods.—Devendorf & Smalley. Terms regular: 2½ doz. No. 67, 2½ doz. No. 69.

Dale & Co. Terms regular. 9 doz. No. 70, 9 doz. No. 71.

Conn & Koehler. Terms regular: 25 doz. No. 70, 25 doz. No. 71, 5 doz. No. 80, 5 doz. No. 81.

MEMORANDA OF TRANSACTIONS FOR AUGUST (Continued).

AUGUST 31, 189–.

The following remittances came to hand by the day's mail, in drafts on N. Y. : J. L. Mason, bill Gloves, 20th inst., less 6% discount and ½% interest; Been Bros., bill Gloves, 20th, less 6% discount and ½% interest; S. M. Howe, bill Gloves, 20th, less 6% discount and ½% interest; Elder & Bliss, bill Gloves, 1st inst., less 6% discount and ½% interest; Conn & Koehler, bill Knit Goods, 5th inst., less 6% discount and ½% interest; M. L. Bonner, bill Gloves, 20th, less 6% discount and ½% interest; Dale & Co., bill Knit Goods, 20th, less 6% discount and ½% interest.

Remember to deduct the 6% discount first and from the remainder deduct the ½% interest.

Deposit all the drafts on hand, and 750.00 in currency.

Paid the following per checks: Gas bill for the month, 22.50; Cleaning offices for the month, 18.50; Daily papers, 2.00; Dry Goods Journal, 6.00 (Office Exp.); Payroll Furnishing Department, 15.00; Gloves and Mitts, 175.00; Knit Goods, 125.00; Counting Room, 110.00 (*accts. Furnishing Dept., Gloves and Mitts, Knit Goods and Office Expense.*)

Two different methods of classifying the pay roll are illustrated in this set. For the months up to and including July the total pay roll is charged to Salary ℄. For the current month the different departments are charged with separate amounts as indicated by the Time Books in each department.

Preparatory to posting the books, foot and strike a balance in the Cash Book, foot the Accounts Receivable and the Accounts Payable Books, and post from the different books. The cash in safe is 109.95, and in bank, 20310.86. Take off a trial balance for the month and prove the correctness of Accounts Receivable and Accounts Payable by taking off an abstract from each.

In compiling the trial balance and abstracts, observe the following, taking the account of Furnishing Goods to illustrate: In your continuous trial balance, you have the balance recorded for July carried into the August column in *red* ink, 5645.90. (In illustrated set these figures are in italics.) Under these red ink figures write in *black* ink the debit entries for August found in each account, and on the credit side write the credit entries for August. When the figures are all in the trial balance, foot only the black ink figures. The red ink figures were footed at the time they were entered and proved the correctness of the Ledger on Aug. 1st. It will be seen that while to get the balance of an account each month depends upon the month preceding it, yet in getting a trial balance only the actual work for the month is to be considered. The book-keeper does not even enter from the Ledger the balances of those accounts in which no entries have been made, for the balances are already there represented in the red ink balances brought over from the previous month.

In compiling the monthly abstract let the student notice that the black ink figures will foot the same as the total sales column of the Accounts Receivable Book, and that the special columns of Discount, Interest and Cash exactly tally with the same columns in the cash book. This comparison should be made before commencing the work of compiling the abstracts.

INVENTORY.

Following is the inventory in the different departments Aug. 31st, 189–:

Furnishing Goods.—Shirts: 50 doz. Laundered, No. 14; 90 doz. No. 15; 9 doz. No. 16. Collars: 20 doz. A.; 100 doz. W. B.; 300 doz. XXX. Ties: 180 doz. No. 1; 120 doz. No. 2; 100 doz. No. 3. Hosiery: 90 doz. No. 147; 177 doz. No. 148; 100 doz. No. 149; 101 doz. No. 150; 100 doz. No. 170.

Gloves and Mittens.—5 doz. No. 612; 30 doz. No. 724; 75 doz. No. 735; 30 doz. No. 750; 100 doz. No. 741; 10 doz. No. 743; 5 doz. No. 744.

Knit Goods.—3 doz. No. 63; 3 doz. No. 65; 5 doz. No. 70; 5 doz. No. 71; 8 doz. No. 73; 8 doz. No. 75; 5 doz. No. 80; 5 doz. No. 81; 5 doz. No. 83; 5 doz. No. 85.

Real Estate, 6000.00. Furniture and Fixtures, at cost, less 2%.

The Net Gain for the month is 1844.35.

QUESTIONS.

Define "Jobber," "Wholesaler," and "Retailer." What is the object of this set? What are the main books used in this set? What are the auxiliary books? Explain the use of the Accounts Rec. Book. What two books are here combined? What use is made of the Accounts Pay. Book. Explain the use of each of the Department Sales Books. What are done with the entries which appear in these books? For what is the Department Stock Book used? How is this done? Describe the Sales Ledger used in this set, and state what advantage it possesses over the ordinary form of Ledger? Explain the Continuous Trial Balance. Explain the Abstract of Sales Ledger. Explain the Price Lists. Review the explanations of the books and also the explanatory notes given in connection with the memoranda of transactions.

INSTALLMENT HOUSES AND STATE AGENCIES.

[1] This set is designed to illustrate a system of book-keeping adapted to any business where sales are made on the lease-installment plan. [2] It is also adapted to the requirements of State Agencies.

Installment Sales.—[3] A sale made on the lease-installment plan is one where the conditions of the sale require that the seller shall not part with the title of the property until all the payments have been made, as agreed in the written contract, called a Lease. [4] In the State of New York, and in some of the other States, a lease to be valid must be filed for record; and when so filed it becomes at law the same as a chattel mortgage. (*For form of Lease, see page* 179.)

[6] State Agencies are agencies established in the different States by large manufacturing and other commercial concerns for the sale of their goods. [6] These State Agencies in turn establish branch offices throughout the State. [7] The business of a State Agency is both wholesale and retail, while that of a branch office is always retail. The retail business may be done wholly for cash, partly for cash and partly on credit, or on installment.

[9] The following special set is a deduction from actual business, and represents the details of business as it transpires in a State Agency for the sale of Sewing Machines.

The Main Books [10] are Journal, Cash Book, and Ledger, which do not differ materially from those found in a great variety of business houses, and which may be changed to other forms at the pleasure of the book-keeper. (*See form of Journal, page 178, and form of Cash Book, pages 180, 181.*)

The Auxiliary Books [11] are Lease Book, Stock Book, or Plate Number Record as it is usually called, Order Book, Agency Book, and Trial Book.

Labor-Saving Books.—[12] As stated heretofore, the distinctive features of any business are indicated by the auxiliary books, which vary according to the nature and extent of the business. [13] And the real test of a practical book-keeper is to devise such auxiliary books as will represent the progress and details of the business, and at the same time serve the double purpose of being labor-saving and of systematizing the order of business. [14] The two labor-saving books in this set are the Lease Book and the Stock Book.

The Lease Book [15] contains a record of all leases, giving the date of sale, the name of the party, his residence and the kind of property leased. (*See form of Lease Book on page 176.*) [16] In proper columns are given the price and terms of sale, and following these there is a record of payments. [17] The footings of the "Price" column should always check with the debit footings of "Lease" account in the Main Ledger; [18] the footing of "Old Machine" column with "Old Machine" account in the Ledger, and [19] the "Pm't" column in any month should exactly check with the "Lease" column in the Cash Book. [20] It is evident, therefore, that the "Balance" column in the Lease Book should always tally, or check, with the difference between the total debits and credits of "Lease" account in the Ledger. The observant book-keeper will notice that [21] the "Balance" column footings may be verified in two ways: [22] First, by footing the column; and [23] second, by subtracting the difference between the footings of the "Price" column and the "Payment" column; [24] one proves the other.

[25] By this system of keeping the Lease Book the auditor or examiner from the main office can soon audit a set of books. In the illustrated set given on pages 176–181, an examiner would find Lease account in the Ledger debited 450.00, and turning to the Lease Book he checks that amount in the footing of the "Price" column. In the "Payment" column of the Lease Book he finds credited "cash," 35.00, and turning to the "Lease" column of the Cash Book he checks that amount there. In the "Old Machine" column of the Lease Book is recorded 30.00 on first payments, and this amount he finds charged to Old Machine account in the Journal. Finally, he finds that the balance of Lease account in the Ledger shows a net debit of 385.00, and as this checks with the footings of the Balance column in the Lease Book he is assured that the work is correct.

LEASE BOOK.

RECORD OF INSTALLMENT SALES.

RECORD OF LEASE.

LEASE NO.	LESSOR. DATE.	LESSOR. NAME.	LESSOR. STREET.	KIND OF MACHINE. PLATE NO.	KIND.	STYLE.	TERMS OF SALE. PRICE.	NO. PMTS.	OLD MACHS.
1	Aug 3	Morris, R. S., Wilmington, N. C.	148 Main St., Sec. Floor.	120140	N. F.	Pl.	75 00	$5	10 00
2	Aug. 5	Ames, Oak, Wilmington.	86 Chestnut St.	120162	N. F.	Pl.	75 00	$5	
3	Aug. 5	Tilden, E. W., Harper's Ferry.	82 Main St.	122915	N. F.	Pl.	75 00	$5	10 00
4	Aug. 5	Muncie, F. L., City.	817 Cherry St.	123212	N. F.	Pl.	75 00	$5	10 00
5	Aug. 4	Nevin, Wm. C., City.	317 N. Pearl St.	123860	N. F.	Pl.	80 00	$5	
6	Aug. 5	Pearsons, John, Harper's Ferry.	1752 River St.	121217	No. 8.	P. P.	70 00	$5	
		See Journal for Total Sales to date.					450 00		
		See Journal for Old Machines bot.							30 00
							Amt. cash Balance down,		

RECORD OF PAYMENTS.

AUGUST. DATE. C. B.	AUGUST. PMTS.	AUGUST. BAL.	SEPTEMBER. DATE. C. B.	SEPTEMBER. PMTS.	SEPTEMBER. BAL.	OCTOBER. DATE. C. B.	OCTOBER. PMTS.	OCTOBER. BAL.	MACHINES REMARKED.
Aug 3	5 00	60 00							
Aug 5	5 00	70 00							
Aug 8	5 00	60 00							
Aug 13	5 00	60 00							
Aug 4	10 00	70 00							
Aug 12	5 00	65 00							
	35 00	See Cash Book — *Lease* column.							
		due on lease, 385 00							

STOCK BOOK.

RECORD OF MACHINES BY PLATE NUMBERS.

MACHINES RECEIVED.						MACHINES SOLD.						
DATE.	MEMO.	KIND.	STYLE.	WHERE STORED.	PLATE NO.	FOR WHAT SOLD.	SEPTEMBER		OCTOBER.		NOVEMBER.	
							INV.	SALES.	INV.	SALES.	INV.	SALES.
189–.												
Aug. 1	10 N. F. Inv. # 1, Plain, 412.50.	N. F.	Plain.		122825		122825					
					122915	Lease # 3.						
				Const. L. Snow, Agt.	122916		122916					
				Const. " " "	122823		122823					
				Const. " " "	122545		122545					
					123212	Lease # 4.						
					123213	Cash, C.B.,p.13.						
					123217		123217					
					125813		125813					
					123860	Lease # 5.						

AGENCY BOOK.

WILMINGTON OFFICE, GEORGE B. COOPER, Manager.

CONSIGNED.								ACCOUNT SALES AND INVENTORY.							
DATE.	INV.	KIND	PLATE NO.	DIS.	PRICE	AMT. INV.		DATE.	FOR WHAT SOLD.	PRICE	BY WHOM SOLD.	FOL.	MEMO. REPT.	AMT. OF CREDIT.	AMT. PAID.
189–.															
Aug. 8	6	N. F.	Pl.	120140	25%	75 00	337 50	Aug. 13	Lease # 1.	75 00	Tower.	1	Rept. # 1. Aug. 15.	150 00	
				120143									Lease # 1, 75.00		
				120160				Aug. 15	Lease # 2.	75 00	Cooper.	1	" # 2, 75.00		
				120161											
				120162											
				120169											

TRIAL BOOK.

MACHINES ON TRIAL.

DATE.	NAME.	STREET AND NO.	KIND.	PLATE NO.	PRICE.	WHEN SOLD.	BY WHOM.	FOR WHAT.
189–.								
Aug. 5	Muncie, F. L.	817 Cherry St.	N. F.	123212	75 00	Aug. 15	Jones, E.	Lease # 4.
6	Nevin, W. C.	318 N. Pearl St.	N. F.	123816	75 00	Aug. 14	Owen.	Lease # 6.
10	Marston, Thos. J.	854 Main St.	8.	123575	70 00		Jones.	

The Stock Book.—[26]All goods that are sold on the lease plan, from a finger ring to a sewing machine, have plate numbers engraved or marked upon each article, by which the goods are invoiced when sold, and by which they are traced when lost or stolen. [27]Invoices, when checked off and found correct, are copied into the Stock Book (*see illustration, page 177*) and under proper headings each individual machine is described. [28]When a machine is sold a record is made opposite the number and in the column "For What Sold," whether for lease or for cash. [29]It is evident that if the record has been correctly kept, the numbers left *open* will represent the machines on hand. [30]But in such cases the inventory is taken by actual count and the record made in the month following by plate numbers. [31]By this method, false or fictitious inventories are avoided and errors are at once detected.

The Agency Book [32]is tabular in form, and is used to indicate property out of store. [33]Two kinds of agencies are created in this set and are indicated in the memoranda. [34]One by an agent who works *for* and in the *name* of the company, but on commission, according to contract. [35]The other is an agency known as a Branch Office.

[36]An Agency on commission differs from real Commission business in this: In the Commission business, Commission Merchants and Selling Agents owe the principal for proceeds. [37]In an Agency represented by a Branch Office, the agent works for his principal for a salary or for a commission, and he works for him and him alone; and all returns in the way of money or other commodities, are the company's assets. He does not *owe* the company for account sales, but as agent he is custodian of the property of the company.

JOURNAL.

RICHMOND, VA., AUG. 1, 189–.

L. F.		DEBIT. LEASE ACCT.	DEBIT. GENERAL.	CREDIT. GENERAL.	CREDIT. MDSE.	CREDIT. MACH. ACCT.
	The following invoices have been rec'd during the week from New York Office:					
	Machine a/c To New York Office,		1031 25	1031 25		
	Invoice # 1, July 21, 412.50					
	" # 2, " 22, 385.00					
	" # 5, " 25, 233.75					
	1031.25					
	Credit each Invoice separately.)					
	Merchandise,		600 00			
	To New York Office,			600 00		
	Inv. # 3, July 23, 125.00					
	" # 4, " 24, 475.00					
	600.00					
	8.					
	Horse and Wagon,		1050 00			
	To New York Office,			1050 00		
	For Inv. # 6, 10 Wagons, # 67 to 76 inclusive.					
	Wilmington Office,		418 13			
✓	To Mdse. a/c, Inv. 2nd.,					80 63
✓	Mach. a/c, " 2nd.,					337 50
	Shipped from New York.					
	Mach. a/c, For above per Inv. # 7,		242 00			
	Mdse. a/c,					
	To New York Office, Inv. # 6,		59 13			
				301 13		
	Commission, To Mdse, Inv. # 2,		10 54		10 54	
	From S. L. Sprague's Const. a/c,					
	From Order Book.					
	Lease a/c, To Machine a/c,	450 00			5 00	295 00
	Leases # 3 to 6 per. L. R.,					
	To Wilmington Office,			150 00		
	Leases # 1 and 2, Rept. 16.					
	Old. Mach., To Lease a/c,		30 00	30 00		
	Rec'd on Leases # 1, 3 and 5.					
		450 00	3441 05	3162 38	15 54	713 13
	Leases a/c, Total per L. R., # 1,		450			
	To Mdse. Time Sales,			15 54		
	Machine a/c, "			713 13		
			3891 05	3891 05		

Trial Book.—[38] When a canvasser takes out a machine to be sold, a memorandum account is made against him for the machine. [39] When the canvasser leaves the machine on trial with some person to whom he contemplates making a sale, the entry is transferred from his account to the Trial Book (*see illustration on page 177.*) [40] In it is entered the date, name of the party, street and number, plate number, style and price. [41] When the sale is closed up, the date of sale, by whom sold, and the amount of the sale is also entered in this book. [42] Entries which are not closed up in the Trial Book represent property out of store. The memorandum account with the agent is usually kept in the back of the Trial Book.

[FORM E.]

SEWING MACHINE LEASE

THE JENKINS MACHINE COMPANY,

MANUFACTURERS OF AND DEALERS IN

JENKINS SEWING MACHINES,

THREAD, SILK, AND ALL PARTS AND FINDINGS PERTAINING TO SEWING MACHINES.

This Certifies, That I, *R. S. Morris*, now residing at *148 Main St., 2nd Floor, Wilmington*, County of *New Hanover*, and State of *North Carolina*, have received of THE JENKINS MACHINE COMPANY, through their Special Agent, one JENKINS SEWING MACHINE, Style *New Family*, Plate No. *120140*, with all apparatus belonging thereto, all in good order, and valued at *Seventy-five* Dollars (*$75.00*), which I am to USE WITH CARE and keep in good condition.

I hereby agree to hire, and have hired said Machine, for the term of *twelve* months from this date, and pay during said term the sum of *Seventy-five* Dollars as rent therefor, in the following manner, viz: *Five* Dollars in cash, and *one old Wilder Sewing Machine valued at Ten Dollars* on the delivery of this Agreement, the receipt whereof is hereby acknowledged, and accepted as payment in advance for the rent of the first month only, and then at the rate of *Five* Dollars (*$5.00*) per month, payable in advance on the *2nd* of each month, hereafter at their said office, without notice or demand, until the value of the machine as specified above has been paid in full.

But if default shall be made in either of said payments, or if I shall sell, or offer for sale, remove, or attempt to remove, the said Machine from my aforesaid residence, without the written consent of the said JENKINS MACHINE COMPANY, then and in that case I agree to return the same, and that they or their Agent may resume actual possession thereof; and I hereby authorize and empower the said JENKINS MACHINE COMPANY, or their Agent, to enter the premises wherever said Machine may be, and take and carry the same away, hereby waiving any action for trespass or damages therefor, and disclaiming any right of resistance thereto, or the said Company may at their option affirm said Lease and sue for the full amount of rent during said term.

It is also further agreed that I may, at any time within said term, purchase the said Machine and apparatus, by paying the above valuation therefor; and then, and in that case only, the rent theretofore paid shall be deducted therefrom. It is further understood by me that I acquire no title to said Sewing Machine until its value has been paid in full, and as agreed, and I hereby certify that no other Agreement exists between myself and any Agent of said Company pertaining to this Machine.

Witness my hand, this *third* day of *August*, 189–.

Signed, *R. S. MORRIS.*

☞ Read the above before signing it, as no statement, agreement or understanding, verbal or written, differing from the import thereof, will be valid or binding on the JENKINS MACHINE COMPANY.

August 3rd, 189–.

For value received, I hereby guarantee the prompt and full payment of rent above mentioned on the part of *R. S. Morris* to the JENKINS MACHINE COMPANY.

J. E. KINGSLY.

Reports.—By examining the Cash Book illustrated on pages 180, 181, it will be seen that the printed headings suggest a report being made to the New York office. Such reports are always required in agencies of whatever kind, and the reports made become the basis for auditing the books at any time that an auditor may call from the main office.

In an agency like the one submitted, the general agent would be required to furnish the following: The General Trial Balance, in totals (not balances); an abstract each of the Cash Book, Sales Book, Lease Book and Stock Book.

Accompanying the abstract of the Cash Book should be the following schedules: RECEIPTS.—A detail of all collections on Lease account, marked schedule A; a detail of machines, with plate numbers, marked schedule B; a detailed statement of Mdse. sales, schedule C; then schedule D, showing receipts in detail on account and from New York. Next, under the head of PAYMENTS, schedule E, a detail is made of office expense and freight and cartage together, with schedule F showing amounts paid for labor and commission and remittances to the main office.

The sales abstract should show a detail of all machines sold on account, on lease, and for cash, with a full description by kind and plate number, followed by a detail of Mdse. sales.

It will be seen that the Cash Book schedule for machines and Mdse. sales will check with the cash columns in the sales abstract; that the Cash Book schedule for lease collections will check with the

CASH BOOK.

(Receipts as per reports to New York.)

DATE.	L. F.	LEDGER ACCT.	KIND.	EXPLANATORY.	LEASE.	MDSE.	MACH.	GEN'L.	BAL.
1890.									
Aug. 1	1	New York Office,	d	Sight draft # 1,				500 00	
		Mdse.,	cy	1 Ruffler, 1.50; Thread, 2.00; Needles, 50¢,		4 00			
		Machine and Mdse.,	ck	1 N. F., # 121142, 75.00, and Attchts., 5.00,		5 00	75 00		
	3	Lease,	cy	R. S. Morris, lease # 1,	5 00				
	4	Lease,	cy	W. C. Nevin, lease # 5,	10 00				
		Machine,	ck	1 N. F., # 120142,			70 00		
	5	Mdse.,	cy	Petty Sales, per drawer,		18 50			
		Lease,	ck	Oak Ames, lease # 2,	5 00				
	8	Lease,	ck	E. W. Tilden, lease # 3,	5 00				
		Mdse.,	cy	Petty Sales, per drawer,		10 00			
		Machine,	cy	1 N. E., # 123213,			75 00		
	12	Mdse.,	ck	1 # 8, 75.00, # 121213, and Attchts., 5.00,		5 00	75 00		
		Lease,	ck	John Pearson, lease # 6,	5 00				
	13	Lease,	cy	F. L. Muncie, lease # 4,	5 00				
					35 00	42 50	295 00	500 00	
		Lease,		Total collections, per L. R.,				35 00	
		Mdse.,		" sales for mo.,				42 50	
		Machine,		" " " "				295 00	
								1372 50	

Lease Book abstract for cash receipts; that that part of sales abstract referring to sales on lease account will check with the total Lease Book abstract, and also with lease account in the trial balance.

In addition to the schedules above enumerated, a schedule showing inventories of all machines by plate numbers, and all parts and findings, should be rendered.

Posting the Books.—The books should be posted at the end of each date in the memoranda. The special colums of the Journal and Cash Book should be footed and posted at the end of each month. Before posting the footings of the Journal check the debits of Lease acct. with the footings of the Lease Book to determine if any omissions have been made. Also test the debit entries to Old Machine acct. with the total of the Old Mach. column in the Lease Book. Before posting the special columns of the Cash Book check the footings of the Lease collections in the Cash Book with the Cash column in the Lease Book. Give each account one-fourth of a page space in the Ledger. Do not post the Cash acct. to the Ledger as the Cash Book is a ledger account in itself.

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER.

SEPTEMBER 1, 189–.

The Jenkins Machine Co., of Bridgeport, Conn., with main office at 713 Broadway, New York, opens a State Agency at Richmond, Va., for the sale of the Jenkins Sewing Machines in the States of Virginia and North Carolina. "Student" represents the company, as manager, at a yearly salary of 1500.00. Goods are billed from the New York office as follows: "The Jenkins Machine Co., Richmond Office, Bo't of the Jenkins Machine Co.," and on their books "Richmond Office" is the same as "Shipment" account, or "Adventure" account, and simply represents Merchandise out of warehouse. Machines, parts, and findings are invoiced at list or retail prices, and a discount of 45% is made from the total of each invoice to the Richmond office. It is expected that the manager will be able to pay the expenses of the office out of the 45% discount, and perhaps make a favorable showing in net gains.

A commission of 25% is allowed by the manager to all his sub-agents. A discount of 25% is made from the list price of goods invoiced to branch offices. All moneys advanced are charged up in open account, and the account is credited for all returns.

Drew a sight draft on New York office for 500.00, and deposited proceeds in First Nat. Bank, Richmond; collection, 50¢. (*Enter in Cash Book and on stub of Check Book.*)

The proper form of signature to be left with the Cashier of bank is as follows: "The Jenkins Machine Co.—Student, Manager," and all checks should be signed in that form. Another form would be to open the account simply, "Student, Manager" But should you open the account "The Jenkins Machine Co." and deposit to their credit, you could not check out a dollar except upon a written power of attorney from the Company.

CASH BOOK.

(Payments as per reports to New York.)

DATE.	L. F.	LEDGER ACCT.	KIND.	EXPLANATORY.		ADVERTISING.	LABOR.	CTGE. AND FRGT.	EXP.	GEN'L.
1890.										
Aug. 1	3	Wilmington Office,	ck	Advanced,						50 00
3		Expense,	cy	Pens, 25¢; Ink, 50¢; Broom, 60¢,					1 35	
5		Freight and Ctge.,	ck	Freight bills,				12 10		
7		Labor,	cy	Pay roll for week,			60 00			
9		Expense,	cy	Daily papers,					1 50	
		Advertising,	ck	Display ad. in Enquirer,		8 50				
		Freight,	ck	On Wagons,				10 75		
				Paid bal. on Commission,	36.25					
	15	Commission,	ck	L. L. Sprague, less,	10.54					25 71
13		Labor,	cy	Pay roll for week,			60 00			
		Advertising,	cy	Bill Blk. Leases,		3 50				
						12 00	120 00	22 85	2 85	75 71
13		Advertising,		Total for mo.,						12 00
		Labor,		Per pay rolls, total,						120 00
		Freight and Ctge.,		Total for mo.,						22 85
		Expense,		" " "						2 85
										233 41
		Balance,		*Amt. on hand,* {Currency, 13.11; Checks, 142.96; Drafts, 87.50}						*1139 09*
				" *in bank,*	895.52					
										1372 50

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER (Continued).

The following invoice for machines has been received, dated Aug. 20, 189–, and $^{B}/_{L}$ signed by the agent of the Old Dominion Line of Steamers. Invoice checked off and O. K'd as follows: 20 New Family Machines, @ 75.00, numbered as follows: 6113, 6114, 6115, 6118, 6119, 6120, 6121, 6122, 6175, 6184, 6185, 6191, 6192, 6193, 6194, 7101, 7102, 7103, 6186, 6187; 10 No. 8 Machines, @ 70.00, numbered as follows: 5114, 5115, 5116, 5110, 5112, 5111, 5128, 5130, 5142, 5141; 20 Man'f'g Machines, @ 85.00, numbered as follows: 3519, 3517, 3542, 4620, 4114, 4517, 4750, 5620, 5114, 5176, 5182, 5183, 5191, 5196, 5198, 8110, 8119, 8174, 8147, 8176. Less 45% discount. (*Enter in Journal. Credit New York office for amount* [*no detail*] *for Machine acct.— Invoice No. 1, Aug. 20, 189–, and extend amount in General column.*)

In business the above would be entered also in the Stock Book, but the student will not be required to keep a Stock book in working out this set.

The following invoice dated Aug. 20, 189–, is O. K.'d. Goods received via. Old Dominion Line, from New York office: 10 doz. Goodrich Tuckers, 18.00; 10 doz. Johnson Rufflers, 18.00; 5 doz. Hemmers, 15.00; 10 doz. bottles Machine Oil, 75¢; 25 doz. Clark's Assorted Thread, 30¢; 10 doz. Machine Twist, 2.00; 50 doz. Needles, assorted, 50¢. Discount, 45%. (*Journal — Mdse. acct. to New York office.*)

Bought for cash for use of office, of the Richmond Furniture Co.: 1 Desk, 35.00; 1 Standing Desk, 40.00; 1 Table, 6.00; 1 Revolving Chair, 4.50; 6 Cane-seat Chairs, 1.50 each; 1 Thread Case, 5.00; 1 Sales Counter, 25 ft. long, 60.00; 1 8-foot Show Case, 16.00; 1 Office Carpet, 22 yds. Ingrain, 3 ply, 1.00 per yard. Gave check for the amount of bill. (*Ck. Book, Cash Book; Furniture acct., General column.*)

SEPTEMBER 2, 189–.

Received from New York office for use of counting room, per Express prepaid: 1 Journal, 8 qr., 4.00; 1 Ledger, 8 qr., 3.50; 1 Stock Book, printed col., 12.00; 1 Lease Record, printed col., 15.00; 1 Machine Trial Book, 9.00; 1 Agency Book, 8.00; 1000 Blank Leases, 3.75; 1 M. Envelopes, 2.00; 1 M. Letter Heads, 2.50. Charges prepaid, 1.25, and included in invoice. (*Journal, Expense, to N. Y. Office.*)

Received per Old Dominion Line the following as per invoice, dated at New York office, Aug. 25, 189–: 10 Sewing Machine Wagons, 125.00 each, net, numbered on side, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47. (*Journal, Horse and Wagon acct.*)

SEPTEMBER 3, 189–.

Received from New York office the company's check, ♯1378, on Eleventh Nat. Bank, for 1500.00, payable to "Student," Manager. Deposited same in bank. (*C. B. and Check Book.*)

Drew from bank for change in sales drawer, 25.00. (*Enter in Check Book only.*)

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER (Continued).

Bought for cash, per check, of Bennington & Hathaway, 1 Chestnut Horse, 4 yrs. old, 200.00; 1 brown Horse, 6 yrs. old, 300.00; 1 brown Horse, 6 yrs. old, 250.00; 1 Bay Team, 5 years old, 800.00; 1 Dray Horse, 8 yrs. old, 150.00. (*C. B., Horse and Wagon acct.; and Ck. Bk.*)

SEPTEMBER 4, 189–.

Bought for cash of Burch, Nixon & Co., and gave check for same: ½ doz. Whips, 9.00 per doz.; ½ doz. Horse Blankets, 2.25 each; ½ doz. Buffalo Robes, 8.00 each. (*Ck. Book; C. B., Horse and Wagon acct.*)

Engaged the following employees for city office: Jas. D. Hill, book-keeper, 65.00 per month; Miss Lizzie Brown, saleswoman, 15.00 per week; John Sweet, machinist, 18.00 per week; Mary Joice, instructor, 9.00 per week; H. W. Evans, E. G. Ninon and E. L. Williams, canvassers, at 12.00 per week. (*Memorandum only.*)

The following machines have been placed on trial: 1 New Family, 6113, 75.00, Mrs. W. C. Barnes, 315 Hanover St., per E. L. Williams; 1 New Family, 6115, 75.00, Jane Spaulding, at 713 Gage Ave., per Evans; 1 No. 8, 5141, 70.00, Mrs. Minnie Punnett, at 38 North St., per Ninon. (*Enter in Trial Book only. See illustration, page 177.*)

The purpose of this book is to keep track of machines outstanding and unsold. Agents are never allowed to take out a machine until it is entered in this book.

Engaged J. R. Colton & Co., of Wilmington, N. C., to sell the Jenkins Sewing Machine in that city, under the following terms: All goods to be sold direct on acct. at a discount of 33⅓% on machines, and 25% on parts and findings. Goods are to be forwarded from the New York office, and all freight and expressage are to be paid by J. R. Colton & Co. Received from them the following order: 50 N. F. Machines, 75.00, discount, 33⅓%; 5 No. 8 Machines, 70.00, discount, 33⅓%; 5 doz. Johnson Rufflers, 18.00; 5 doz. Goodrich Tuckers, 18.00; 5 doz. Hemmers, 15.00; 25 doz. Needles, 50¢; 10 doz. Machine Oil, 75¢; 25 doz. Clark's Thread, 30¢; 10 doz. Mach. Twist, 2.00; discount on the mdse., 25%. Received their #198 check on Merchants Nat. Bank, Wilmington, for amount. Ordered same to be forwarded from New York office. (*Enter in Order Book and mark paid. Enter in C. B., "Machine acct.—Sale J. R. Colton & Co., O. B. No. 2," and extend amount of machines sold in Mach. column. On the next line enter "Mdse.—Sale of J. R. Colton & Co., O. B. No. 2," and extend amount of Mdse. sold in Mdse column.*)

The Order Book in this set is but little used and is treated as an auxiliary book. Use an ordinary blank book for an Order Book.

Deposited J. R. Colton & Co.'s check. (*Ck. Book only.*)

SEPTEMBER 5, 189–.

Received cash of Mrs. Emma Hines for the following: 1 No. 8 Machine, 5114, 70.00; Ruffler, 1.50; Tucker, 1.50; Hemmer, 1.25. Allowed a cash discount of 15%. (*Enter the net amounts in proper columns of Cash Book.*) (*Compute the discount on the mdse. and machine separately.*)

The following sales on Lease acct. have been closed up: By E. L. Williams, to Mrs. W. C. Barnes, 315 Hanover St., 1 New Family, 6113, 75.00, cash down, 10.00; terms, 5.00 per week until paid. By E. G. Ninon, to Mrs. Minnie Punnett, 38 North St., 1 No. 8 Machine, 5141, 70.00; cash down, 10.00; terms, 5.00 per week. (*Number the leases 1 and 2, and enter in Lease Book* [*see illustration of Lease Book, page 176*]. *Enter next in Journal, "Lease acct. To Machine acct.," as per illustration, Journal page 178. Enter cash on debit side of C. B. "Lease acct.—Mrs. W. C. Barnes, Lease 1," and enter in Lease column. See illustration, C. B. page 180.*)

In the Balance column of Lease Book, lease 1 should be entered 65.00, and lease 2, 60.00.

The Lease Book used in connection with this set provides no columns for the settlements of canvassers' or agents' commission, as the memoranda following is confined to the hire of agents at a fixed salary. In most state agencies, however, labor and services are based upon the commission plan, conditioned that the agent or canvasser shall be paid a certain per cent. on sales, and that this per cent. shall be appropriated only upon the amount collected; for should a machine be reverted no commission would be allowed upon the balance of the lease remaining unpaid. Based upon this plan no account is kept with the agent except in the Lease Book, and that in a special division at the extreme right, headed Agents' Comm., and divided into two columns headed "Total Comm." and "Comm. Paid."

Cash sales for the day, per P. C. B., 36.19. (*C. B., Mdse. acct.*)

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER (Continued).

SEPTEMBER 6, 189–.

Established an agency at Harpers Ferry with Geo. C. Emmons, for the sale of our machines, as follows: As per articles of agreement all machines are to be consigned to Geo. C. Emmons, and a commission of 25% allowed him on all sales as soon as made. Account sales are to be rendered each month, and all leases or notes taken by him in payment of sales are to be remitted with report. The Company is to furnish him free the use of horse and wagon, and all advertising and blank leases. But all freight and running expenses are to be paid by him. All parts and findings are to be sold (not consigned) at a discount from list prices of 25%. Shipped him per M. D.: 5 New Family Machines, 75.00, 6186, 6187, 7101, 7102, 7103; 5 No. 8 Machines, 70.00, 5115, 5116, 5110, 5112, 5111; 2 Manfg. Machines, 85.00, 3519, 3517. Machines marked, *G. C. Emmons, Agt.* (*Enter in Order Book and in Agency Book. See illustration, page 177.*)

In a regular Commission business the above would be charged to "Shipment acct." in the Journal, and entered in the auxiliary book. But in agencies of this kind, where agents are bonded and represent the Company direct to the consumer, no entry is made in the main books until the goods are sold. The Agency Book shows machines out of store, and the Commission acct. with the agent.

Shipped per M. D., to G. C. Emmons, Agt., as per contract, 1 Brown Horse, "Ned"; 1 Wagon, No. 47; 1 blanket and robe. (*Memorandum only.*)

Sold G. C. Emmons, and shipped per Adams Express: 1 doz. Rufflers, 1.50 each; 1 doz. Tuckers, 1.50 each; 1 doz. Hemmers, 1.25 each; 1 doz. Machine Oil, 75¢ per doz.; 10 doz. Needles, 60¢ per doz.; 5 doz. Clark's Thread, 30¢ per doz. (*Journal: "Com. acct. To Mdse." for amount of the invoice. Next, charge Emmons in his Commission acct. in Agency Book. See illustration, page 177.*)

As the agent is to pay his own expenses, all threads, oils, etc., are sold and not consigned. Should Emmons be credited with his commission on sales in the Main Ledger, then the above sale in the Journal would be "G. C. Emmons To Mdse." But as his commission acct. is kept in the Agency Book as a memorandum acct. the sale is treated as a payment on Comm. acct., which in fact it is — simply an advance on commission. This form of keeping Agency accounts simplifies the work and saves much labor.

SEPTEMBER 8, 189–.

Received invoice and $^{B}/_{L}$ from New York, for the machines and Mdse. ordered to be shipped J. R. Colton & Co., on the 4th inst., as follows: 50 N. F. Machines, 2110 to 2159 inclusive, 75.00; 5 No. 8 Machines, 8981, 8946, 8723, 8417, 8649, 70.00. Discount, 45%. (*Journal: "Machine acct. To New York office." Bill Rufflers, etc., ———, less 45%. Journal, Mdse. acct.*)

Duplicate invoices giving plate numbers would be rendered J. R. Colton & Co. Sometimes memorandum invoices are forwarded from the New York office, in which case your invoice from New York would be endorsed, "Memorandum To J. R. C. & Co." The above was paid for and entered on the 4th inst. (*See page 182.*)

SEPTEMBER 10, 189–.

Established a branch office at Raleigh, N. C., with James C. Cornell as agent at a weekly salary of 20.00. Leased salesroom at No. 13 Lafayette St., at 25.00 per month.

Invoice, dated Aug. 2, 189–, just received, for machines and merchandise shipped direct to Raleigh office via. Old Dominion Line and Norfolk and Raleigh R. R., as follows: 10 N. F. Machines, 75.00, 7141, 7142, 7143, 8115, 8116, 8185, 8190, 8191, 8162, 8163; 10 No. 8 Machines, 70.00, 9147, 9148, 9149, 9160, 9161, 9162, 9166, 9163, 9164, 9165; discount, 45%. Rendered invoice and made discount, 25%, to Raleigh office. (*Journal: "Raleigh Office To Mach. acct."; "Mach. acct. To New York Office."*)

Shipped per Express from office: 1 doz. Tuckers, 1.50 each; 1 doz. Rufflers, 1.50 each; 1 doz. Hemmers, 1.25 each; 1 doz. Oil, 75¢; 5 doz. Needles, 50¢; 5 doz. Clark's Thread, 30¢; 1 doz. Machine Twist, 2.00, to Raleigh office, less 25% discount. (*Journal: "Raleigh To Mdse."*)

The machine left on trial with Mrs. Jane Spaulding, 713 Gage Ave., by Evans, has been returned, the canvasser being unable to effect a sale. (*Trial Book — write "Ret'd Sept. 10."*)

Checked out for office use, cash, 100.00. (*Stub Ck. Book.*)

Made the following sales on lease, in office: Mrs. Estelle Monroe, 125 E. 17th St., 1 N. F. Machine, 6184, 75.00; attachments, 5.00. Received in payment on first payment, 1 old Windsor Machine, 15.00; cash, 10.00; balance at 10 per week until paid. Mrs. H. D. Harper, over 1280 Main St., 1 New

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER (Continued).

Fam. Machine, 6175, 75.00, and attachments, 5.00. Cash down, 10.00; balance, 5.00 per week. (*Enter in Journal, Lease acct., 160.00; To Mach. acct., 150.00, and Mdse., 10.00; then in Journal enter Old Mach. acct. To Lease acct., 15.00, and cash in Cash Book; on debit side enter "Lease acct." and give name, and number of lease, as per instructions, page 182. Record in Lease Book, and number 3 and 4.*)

Ordinarily such an entry would be made as follows: Old Mach. acct., 15.00; Lease acct., 145.00; To Mach. acct., 150.00; Mdse., 10.00, but to avoid any legal complications, the old machine is not treated as a *trade* but as a payment for the rent of the machine. By entering the gross amount to Lease acct. it also shows the amount of sales on lease for the year.

Paid cash for pens, 50¢; ink, 80¢; brooms, 1 doz., 2.00; laundry bill for office, 1.20.

Sales per week, in cash, per P. C. B., 120.85, for Mdse.

SEPTEMBER 15, 189–.

A report from G. C. Emmons, agent at Harpers Ferry, shows the following sales and remittances: Lease, to Mrs. Mary Smith, 1 N. F. Machine, 6186, 75.00; first payment, 10.00, 5.00 per week. Lease, to M. W. Woodward, 1 N. F. Machine, 6187, 75.00; cash, 10.00, 5.00 per week. Lease, to Emma Swartz, 1 N. F. Machine, 7101, 75.00; cash, 10.00; per week, 5.00. A. G. Booth, 1 No. 8 Machine, 5115, 70.00; cash, 10.00; 5.00 per week. S. F. Youngs, 1 No. 8 Machine, 5116, 70.00; first payment, 1 Old Howe Machine, 15.00; cash, 5.00; per week, 5.00. All dated Sept. 12. Total leases received, 365.00. Cash on leases, per draft on New York, 45.00. Old machine, subject to our order, 15.00. (*Enter leases in Journal: Lease acct. To Mach. acct., 365.00; Old Mach. acct. To Lease acct., 15.00. Enter cash in detail to Lease acct. in Cash Book, then record leases, properly numbered, 5 to 9, in Lease Book. Turn to Agency Book and copy report into consignment acct. of G. C. Emmnns. See illustration Consignment acct. in Agency Book, page 177. In the Commission column of Emmon's consignment acct. credit him with the 25% due on each sale.*)

Gave G. C. Emmons a check for the amount of commission, 91.25, less the amount advanced him in merchandise. (*C. B., Commission acct., "Paid G. C. Emmons balance due on commission."*)

SEPTEMBER 16, 189–.

Received the following report and remittance from Raleigh office: Sales, for cash, 1 N. F. Machine, 7141, 75.00, 10%, 67.50; 1 No. 8 Machine, 9157, 70.00, 10%, 63.00; 2 Tuckers, 3.00; 2 Rufflers, 3.00; 2 Hemmers, 2.50; Thread, 1.00; total cash sales, 140.00. On lease: L. M. Boone, Sept. 11, lease, 80.00, 1 N. F. Machine, 7142, and attachments, 10.00 cash and 5.00 per wk. Mary J. Loomis, Sept. 12, lease, 80.00, 1 N. F. Machine, 7143, and attachments, 10.00 cash down and 5.00 per wk. Henry W. Hill, Sept. 14, lease, 75.00, 1 No. 8 Machine, 9148, and attachments, 10.00 cash, 5.00 per wk. Mrs. Clara Easterly, Sept. 12, lease, 80.00, 1 N. F. Machine, 7115, and attachments; first payment, 1 Wheeler & Wilson Machine, 20.00, and 5.00 per week. Total sales: Cash sales, 140.00; lease sales, 315.00; total, 455.00. Collections on leases, first payments, old machines, 20.00; cash, 30.00; total, 50.00. N. Y. draft enclosed for 170.00. (*Journal: Lease acct. To Raleigh Office, 315.00. C. B.: Credit Raleigh Office, on acct., 140.00 for cash sales. C. B.: For the 30.00 collection on Lease acct., credit each person in the Lease Book for the amount he paid. Journal: Old Mach. acct. To Lease acct. for the old W. & W. machine. Number each lease consecutively, and enter in detail in the Lease Book. See illustration of each book, and the similar entry, before making the record.*)

The above is simply an account and remittance of certain sales made, and not a full report of sales and expenses of the Raleigh office. Such a report will be rendered when called for, and will appear at the end of the present month.

SEPTEMBER 18, 189–.

Placed machines on trial as follows: Mrs. Gertrude Cummins, 87 Eleventh St., 1 N. F. Machine, 6194, and attachments, 5.00 — 80.00; placed by Ninon, canvasser. Mrs. Edward Brunis, 89 Oak St., 1 N. F. Machine, 6114, and attachments, 5.00 — 80.00; by Evans, canvasser. Mrs. Eugenie Rosamond, 1829 Baltimore Place, 1 No. 8 Machine, 5142, and attachments, 75.00; by Williams. Mrs. Maud Manwell, 146 Genung Ave., 1 N. F. Machine, 6118, and attachments, 80.00; by Ninon. Mrs. Paul Winder, 86 Church St., 1 N. F. Machine, 6185, 75.00; by Evans. (*Enter in Trial Book only.*)

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER (Continued).

SEPTEMBER 20, 189–.

Sold for cash, 1 N. F. Machine, 6119, 60.00, net.

Paid cash for postage, 5.00; laundry, 1.50; pins, 10¢; soap, 25¢. (*Expense.*)

SEPTEMBER 22, 189–.

The following cash collections have been made: City, W. C. Barnes, lease No. 1, 5.00; M. Punnett, lease No. 2, 5.00; E. Monroe, lease No. 3, 5.00; H. D. Harper, lease No. 4, 5.00; M. H. Woodward, lease No. 6, 5.00; Emma Swartz, lease No. 7, 5.00; A. G. Booth, lease No. 8, 5.00; S. F. Young, lease No. 9, 5.00. (*Detail in C. B., Lease acct., in special column. Credit in Lease Book each payment, and carry balance due into Balance column.*)

Sold J. R. Colton & Co., on their note at 90 das., 10 Man'fg. Machines, 85.00, less 33⅓% discount, 5182, 5183, 5191, 5196, 5198, 8110, 8119, 8174, 8147, 8176. (*B. B., Journal: B. Rec. To Mach. acct.*)

Remitted Raleigh office 50.00 on acct., per check.

Deposited the checks and drafts received on the 15th and 16th inst.

SEPTEMBER 25, 189–.

Received the following cash collections on lease account from Raleigh office: L. M. Boone, lease No. 10, 5.00; M. J. Loomis, lease No. 11, 5.00; H. W. Hill, lease No. 12, 5.00; C. Easterly, lease No. 13, 5.00. (*C. B. and L. B.*)

When the sales on leases 10 to 13 were reported from Raleigh office, the leases duly signed were sent you and credited to Raleigh office. But collections are made through Raleigh office. Be careful not to credit Raleigh office instead of Lease acct. for collections.

Remitted James C. Cornell, agent at Raleigh office, check for 4 weeks' services, at 20.00 per week. (*C. B. and Ck. Book—Acct. Raleigh office.*)

SEPTEMBER 26, 189–.

Sent the note of J. R. Colton & Co. to New York office, on acct.

SEPTEMBER 30, 189–.

Received report from Raleigh office for sales, cash receipts and disbursements, and inventory of machines and merchandise on hand, as follows: Sales, 1 N. F. Machine, 8116, and attachments, net cash, 72.00; 1 No. 8 Machine, 9165, and attachments, net cash, 64.00; total cash sales, 136.00, per N. Y. draft. Sale, to local agent at Salisbury, N. C., 5 N. F. Machines, 8185, 8190, 8191, 8162, 8163, at 75.00, less 20% on 90 das.' note of agent, James Madison, endorsed by J. R. Fellows and E. M. Greene, 300.00. Total remitted, 436.00. (*Journal and C. B.—Acct. Raleigh office. B. B.*)

Memoranda.—Expenses. Paid office rent, ¾ month, 18.75; horse care, ¾ mo., 11.25; coal for office, 1 ton, 6.00; paid postage, 1.00; paid cleaning office for month, 1.50. (*File expense report. No entry.*)

Inventory.—Machines on hand, 7 No. 8's, 9162, 9161, 9149, 9160, 9164, 9163, 9165, 70.00, less 45%. Mdse. on hand: ⅓ doz. Tuckers, 18.00; ⅓ doz. Rufflers, 18.00; ⅓ doz. Hemmers, 15.00; ½ doz. Oil, 75¢; 4 doz. Needles, 50¢; 4 doz. Thread, 30¢; ¾ doz. Silk, 2.00. Total net value of machines, 269.50; total net value merchandise, 22.08. Net value of invoice, 291.58.

After posting the acct. of Raleigh office credit the acct., in red ink, with the Inventory, 291.58, and close, by red ink, Ledger entry. The net gain or loss to Loss and Gain acct., and bring down the balance under the account, 291.58, which is a resource. The acct. with Raleigh office is kept like Mdse. acct. or Shipment acct., and shows a net loss or net gain as such. The shortage on inventory of merchandise is accounted for by some having been used out, such as broken needles, and thread, silk and oil having been used in salesroom.

Paid James Windham, truckman, for freight bills for the month, 52.80; drayage on freight to office, 4.25. Gave check for same. (*C. B.—Freight and Cartage.*)

Paid bill for horse feed, to date, 60.00.

Paid the following bills now due, in cash, as follows: Richmond Enquirer, display ad., 8.00; W G. Hunt, 2 tons coal, 12.00; gas bill for month, 6.00. (*C. B.—Expense, 18.00; advertising, 8.00.*)

MEMORANDA OF TRANSACTIONS FOR SEPTEMBER (Continued).

Paid off employees to date, as per pay roll, 407.75, in cash. Paid manager's salary for month, per check. Paid for rent of office and basement, for one month, in cash, 100.00. (*C. B. and Ck. Book—Labor acct. and Expense acct.*)

Foot, rule, and balance the Cash Book, and post the entries for the month. The cash in safe is 36.05, and in bank, 2727.34.

You will next take a trial balance, make balance sheet and close the Ledger. Following are the inventories:

IN STORE AS PER STOCK BOOK.

13 New Family Machines,	536.25
6 No. 8 Machines,	231.00
10 Manufacturing Machines,	467.50
	1234.75
Mdse.,	48.25
Total,	1283.00

AT RALEIGH OFFICE AS PER AGENCY BOOK.

7 No. 8 Machines,	269.50
Mdse.,	22.08
Total,	291.58

The other inventories are as follows: Horses and Wagons, 3000.00. Furniture and Fixtures, 175.00.

The NET GAIN is 242.52.

In business the book-keeper would be required to make reports to the New York office, as follows: An abstract of all sales by plate number, and for what sold; an abstract of all Cash received and paid out; of all lease obligations; the inventory of machines on hand and of Mdse. on hand, and finally the Balance Sheet.

QUESTIONS.

What is the design of this set? What is a sale on the "lease-installment plan?" When a sale is made on the lease plan what document is made out instead of a bill of sale? Describe this document? What are State agencies? What are the main books used in this set called? What are the auxiliary books called? Describe the Lease Book and explain its use. Describe the Stock Book and explain its use. What is a plate number and for what is it used? What use is made of the Agency Book? Describe the Trial Book and explain its use. What form of Journal is used in this set? What form of Cash Book is used in this set? What kind of reports are managers of State agencies required to make to the main office? Review the instructions and explanations given in connection with the memoranda of transactions.

MANUFACTURING.

[1] The business here represented is that of manufacturing for the Jobbing Trade. [2] The set of books illustrated on pages 188 to 197, represents the record of a year's work and forms the basis of the memoranda which follows.

Main Books.—[3] The Main Books are Journal, Shipping-Sales Book, Invoice Book, Cash Book, General Ledger, Sales Ledger, and Purchase Ledger.

Auxiliary Books.—[4] The Auxiliary Books are Stock Book, Order Book, Calculation Book, Pay Roll Book, Inventory Book, and Statement Book. Other auxiliary books may be used, such as Expense Book, Daily Cash Balance Book, Bill Book, and Accounts Payable Book.

Special to this Set.—[5] The books special to this set are, of the main books, Shipping-Sales Book and General Ledger; [6] of the auxiliary books, Order Book, Calculation Book, Stock Book and Pay Roll Book.

The auxiliary books are explained first, as they more particularly represent the details and scope of the business, the main books being statistical.

The Calculation Book.—[7] In any large manufacturing business, the Calculation Book is the Superintendent's encyclopedia, as in it is found the whole science of his particular business as regards cost of production and of placing on the market goods manufactured. [8] Early in the year samples are wanted by Jobbers, and the superintendent, knowing that values are constantly changing, must "count the cost" and consider profits before sending out quotations. [9] To do this, he must first consider the cost of the raw material; second, the cost of direct labor in producing the goods; third, the running manufacturing expenses, and fourth, the cost of placing the goods in the market. [10] The first and second are readily determined by the regular cash standard price of each, but [11] the third and fourth vary according to the volume of the business, which, when increased, will show a smaller per cent. on the cost.

To fully understand this work, turn to the illustrated set and examine carefully the Calculation Book on page 188. [12] In this book the superintendent makes an estimate of the cost of getting out the samples for the season. The estimated cost of a Man's Outseam Glove, which, for convenience in recording and selling, is known as No. 625, is here illustrated. He finds by quoted prices that the new material for one dozen will cost 3.65. The labor as contracted for, such as Cutting, Making, Hemming, and Silking, 2.52. [13] He next turns to the statistics as shown in the Mdse. account for the previous year's business (*see illustrated Mdse. account, page 196*) and adds to this the price per dozen for Freight and Cartage, which is 15¢. [14] This is found by dividing the total cost of Freight and Cartage for the previous year, as shown in the Mdse. account, which is 1685.85, by the number of dozens made during that year, also in the Mdse. account, which is 11219 dozens. This gives in round numbers a cost of 15¢ per dozen. In the same way are found the cost of Bands, Boxes, and Cases, 16¢; Silk and Thread, 18¢; Buttons and Fasteners, 5¢; Salaries, 34¢; Manufacturing Expenses, 15¢; Traveling Expenses, 29¢; total, 7.42. Now he adds to this 20% for profit, 1.48; interest on the 7.42 for an average of 8 months, 30¢. Thus far the total cost is 9.20. To this is added the trade discount of 6%, which is quoted to the trade, and which as a rule Jobbers anticipate; and lastly 2% for losses. As the 6% for discounts and the 2% for losses are considered in connection with the *selling* price, it is evident that the 9.20 above totaled equals 92% of the selling price, which is found by dividing 9.20 by .92, and equals 10.00, the selling price for No. 625.

[15] In the Commission business, and with agents and factors, the profit or loss is based upon the selling price. In the manufacturing business the proprietor calculates on the *cost* and not on the *selling price.* [16] In the above calculation the actual outlay or cost is 7.42. On this the manufacturer desires to make a clear profit of 20%; therefore, to this amount, 7.42, he adds the interest, trade discounts and a certain per cent. for losses.

[17] Jobbers and retailers, however, calculate per cents. of profit on the selling price. [18] In paying 10.00 for the above No. 625, the jobber or retailer may decide that to cover freight, commission or salary,

CALCULATION BOOK FOR 1890–91. No. 625.

MEN'S OUTSEAM GLOVE. IMPORTED STOCK. UNLINED.

Memo.:					
Quirks:	*Stock,*			3 65	
6 rows Silk.		Cutting,	1.10		
2 Fasteners.		Making,	1.00		
Bound White.		Silking,	.46		
	Labor,			2 56	
	Freight and Cartage,			15	
	Bands, Boxes and Cases,			16	
	Silk and Thread,			18	
Stock Cuts:	*Buttons and Fasteners,*			05	
1 doz. Skins,	*Salaries — Book-keeper, Foreman, etc.,*			34	
Cost 11.56.	*Manfg. Expenses,*			14	
1 doz. Skins, Cuts,	*Traveling Expenses,*			19	
$3\frac{1}{2}$ doz. prs., costs 3.65 per doz.					7 42
	20% profit on cost,				1 48
	Interest 8 mos. on cost,				30
					9 20
Kid Stock from	6% discount on Sales,				60
Yates & Co., Inv. # 1. N. Y.	2% losses, " "				20
	Selling Price,				10 00

The above calculation is not for the year ending Aug., 1890, but compiled for the year beginning Sept., 1890, from the statistical information of the preceding year as shown by the Mdse. account, and which the superintendent is supposed to have compiled. (*See 12, page 187.*)

In addition to the cost part of the calculation on No. 625, at the left of the first line are some valuable memoranda. The first refers to the style of making the glove, while the second is a record of the actual number of dozens of gloves that were cut from 1 doz. skins bought from Yates & Co. at a cost of 11.56.

COMPARATIVE COST OF No. 625.

YEARS.	LOSSES.	DISCT.	INT. 8 MO.	TRAV'LG.	MFG. EX.	SALARIES.	BUTTONS.	SILK.	BOXES.	FREIGHT AND CARTAGE.	LABOR.			RAW MATERIAL.	SELLING PRICE.	
											CUTTING	MAKING.	SILK'NG.			
1887	.22	.68	.29	.25	.16	.35	.05	.20	.15	.15	1.10	.90	.35	5.00	11	25
1888	.22	.66	.33	.25	.16	.40	.05	.19	.15	.16	1.10	1.00	.42	4.25	11	00
1889	.22	.68	.33	.22	.14	.38	.05	.19	.16	.17	1.10	1.00	.42	4.50	11	25
1890	.20	.60	.30	.20	.15	.35	.05	.19	.15	.15	1.10	1.00	.46	3.65	10	00

discounts, etc., he should make $33\frac{1}{3}\%$ on sales. [19] This means that he adds 50% to the purchase price and sells No. 625 for 15.00, and $33\frac{1}{3}\%$ on the sale of 15.00 is 5.00, the gross gain.

The Order Book.—[20] The Order Book in this set is purely an auxiliary book, for reasons apparent. [21] As orders are placed early in the year for the amount that a Jobber wants during the season, it will be seen that partial shipments will be made during the year. [22] Sometimes, too, duplicate orders are sent in, and often new orders are placed for special samples and for job lots; and often a part, or the entire order is cancelled. [23] Samples of winter goods are wanted by jobbers early in the year, by which they make sales to their customers, and the balance of the goods they usually require to be shipped from June to September, as wanted. [24] In the early history of the manufacturing business in the Eastern States, goods were shipped from the factory about the first of Oct., and bills were rendered with terms "Oct. 1st, 6% 10 days, 5% 30 days, or 4 mos. net." [25] On account of the want of storage room, and because a manufacturer was obliged to commence early in the year to manufacture his stock, the custom finally became established to ship forward on orders earlier than Oct. 1st, but to make the date of the invoice

SHIPPING-SALES BOOK.

NEW YORK, SEPT., 189–.

SHIP'ING MARKS.	L. F.	NAME AND ADDRESS.	CK.	KIND.	DOZ.	PRICE.	AMOUNT.	BILL REND.	GOODS RET'D.
M. D. Case # 27412. ◇D 3218		LINCOLN & Co., Chicago, # 178 Adams St. Oct. 1st, 6/10 — 5/30 B/L 1/2	√	# 600	3	6 50	19 50		
			√	# 605	3	7 50	22 50		
			√	# 614	3	8 00	24 00		
			√	# 615	3	9 50	28 50		
			√	# 630	3	12 50	37 50		
			√	# 675	3	21 00	63 00		
			√	# 640	3	28 00	84 00		
			√	# 800	3	12 00	36 00		
			√	# 816	3	14 00	42 00		
			√	# 851	3	18 00	54 00		
			√	# 899	3	24 00	72 00	483 00	
Am. X. Charges	.75	WELLS, MUNGER & Co., Samples ret'd, Inv. Oct. 10th, '89.		# 600	2	6 50	13 00		
				# 630	2	12 50	25 00		
				# 616	1	10 75	10 75		48 75
M. D. Case # 27413. B|W 38|39		BURNHAM & WOOD, Philadelphia. Oct. 1, 6/10 — 5/30 B/L 8/3		# 600	600	6 00	3600 00		
				# 630	100	12 00	1200 00		
				# 899	100	24 00	2400 00		
				# 800	48	12 00	576 00	7776 00	
		FOOTINGS: Gro. Sales, 8259.00 Goods Ret'd, 48.75 Net, 8210.25							48 75
					881	doz. Shi	pped.		8210 25
		Accounts Rec., 8259.00			5	" Re'	t'd.		
		To Mdse., 8210.25							
		Accts. Rec., 48.75			876	Net do	z. Sold	8259 00	8259 00

and terms the same on all shipments. [26]At that time, the beginning of the trade, it was an accommodation to manufacturers to be able to ship goods as manufactured on October sales. Therefore the goods were shipped and the bills "dated ahead," as it was called. [27]Since those early days, trade has spread westward as the country became settled, and, as a result, winter goods are wanted in distant sections and different latitudes much earlier than October. [28]And, although the goods are shipped from May to September, and the accommodation is now to the Jobber, yet the bills are still "dated ahead" as explained above, notwithstanding that the goods are actually ordered to be delivered before October.

[29]An Order Book then, in this set, as in any other set, must conform to the special wants of the trade. The one submitted on page, 194 is based upon labor-saving principles and will be fully explained in connection with the memoranda.

The Pay Roll Book, [30](see illustration, page 194), explains itself. [31]Its labor-saving features commend its use, combining as it does a summary of the Time Book, Makers Book and Piece Book of the different departments, and serves as a continuous Pay Roll throughout the year.

[32]The Time Book shows the record of those who work by the day or month. [33]The Makers Book shows the number of dozens made as well as the kinds and styles, and the Piece Book shows the goods sent out of the factory.

[34]The inside workings of even a complex manufacturing business may be under perfect control if properly systematized, where without system all would be confusion. [35]The foreman of each depart-

CASH BOOK.

CREDITS.				SALES LED.		GENERAL LEDGER.				
				ACCTS. REC.						
DATE.	L. F.	ACCOUNT.	EXPLANATORY.	DISCT.	NET CASH.	B. REC.	MILL.	B. PAY.	GEN. ERAL.	BAL.
189–.										
Sept. 1		Balance,	Aug. brought down,							8550 17
5	58	Colby & Green,	Bal. Acct., 5 per ct.,	28 78	546 72					
	✓	Mill Acct.,	Cooper & Co., sale,				75 85			
	✓	Bills Rec.,	# 87, W. C. Barnes,			150 70				
	✓	Bills Rec.,	# 98, Inman, L.,			500 00				
15	✓	Bills Payable,	Dis. our # 75, 93 da.,					6000 00		
	46	Lincoln & Co.,	Inv., Sept., 5 per ct.,	12 50	23 50					
	59	Wells, Munger & Co.,	Bal. Acct., 5 per ct.,	25 85	491 15					
20	✓	Mill acct.,	Counter Sales,				17 50			
28	✓	Bills Payable,	Our # 76, 33 da.,					2000 00		
	46	Lincoln & Co.,	Inv. of July 25, net,		212 00					
				67 13	1273 37	650 70	93 35	8000 00		
	7	Accts. Rec.,	Total for mo.,						1340 50	
30	3	Bills Rec.,	" per B. B.,						650 70	
	14	Mill Acct.,	" sales,						93 35	
	12	Bills Pay.,	" notes issued,						8000 00	
	7	Disct., *Contra*,	On Accts. Pay.,						198 89	
										10283 44
										18833 61

ment should not only be required to see that the work is properly done, but he should also be held responsible for all leakage and shortage; and it should be seen that he turns over to the next department as many dozens, in kinds and styles, as were delivered to him. [36]At the end of each day's business he renders a report to the superintendent upon a blank, or ticket, ruled for that purpose, of the number of dozens received, the number of dozens completed, and the number of dozens turned over to the next department, and the number of dozens on hand not completed. [37] By these reports the superintendent can readily see just the condition of the stock since it left the cutting department, and can to a certainty anticipate the amount of finished dozens at fixed dates in the packing department. [38]At the end of the month, the foreman in each department must see that his pay roll in dozens, kinds and styles exactly tallies with the total of daily reports for goods reported as having been made. The superintendent tests each report with the monthly report, and verifies each and all by the goods received in the packing room. [39] In this way a positive check against leakage and errors is secured.

The Stock Ticket, [40] illustrated on page 193, is required in keeping track of stock, and to know from day to day the exact stage or progress of the work. [41] It is evident that the Cutting Department is the basis for the record of all the other departments. That is to say: If 500 dozens of any one style are cut, the same number of dozens must go through each and every department. If a less number of dozens are reported from any one department than were reported from the cutting department, either an error has occurred in the count or stock has disappeared. If a greater number, then an error has been made in the count. In either case a tracer is called for, and the proper record is reached.

[42] **The Shipping-Sales Book,** as its name implies, combines the Shipping Book and Sales Book. [43] It is not only labor-saving, but, being the basis of the original entry it prevents the loss of sales by omission, as accounts are posted from it directly to the Sales Ledger, and the footings, are posted to the General Ledger, "Accounts Rec. To Mdse.," To appreciate this, turn to the shipment of Lincoln & Co. (*see illustration, page 189*) and carefully trace the record and extensions. [44] Under the heading "Shipping Marks," there are entered the case number, # 27412, and the way the goods were shipped, by "M. D.," and in addition, the buyer's department number, 3218, is stamped upon the case. Next are recorded the name and address of the purchaser, and the dozens, kind and price of goods

CASH BOOK.

DEBITS.					PURCH. LED.		GENERAL LEDGER.			MEMO. BANK a/c	
DATE.	L. F.	ACCOUNT.	EXPLANATORY.		ACCTS. PAY. DISCT.	ACCTS. PAY. NET CASH.	MANFG. EXP.	LABOR.	GENERAL.	DEP'TS.	CHE'KS.
1890.										Bal.	
Sept. 1	√	Expense,	Per Exp. Book,				15 30			7558 17	
	√	Labor,	Paid Jno. Cooper,					10 00			
5	11	Salary acct.,	E. W. Booth, Supt., on acct.,						25 00		
	√	Labor,	Mary Winnie, advanced,					5 00			
	√	Expense,	Per Exp. Book,				12 80				
10	52	Brown, Joice & Co.,	Inv. # 18, Nov. 5, per ck. # 85,			512 50					512 50
	√	Memo.,	Deposited,							550 00	
	57	Seavey & Bowman,	Inv. # 10, 2 per ct., ck. # 86,		5 00	245 00					245 00
15	√	Expense,	Exp. Book,				10 70				
15	62	Meyers, F. W.	Inv. # 150, 2 per ct., ck. # 87,		190 09	9314 49					9314 49
20	71	Seavey & Bowman,	Inv. # 173, ck. # 88,		3 80	186 20					186 20
	7	Int. and Disct.,	On note # 75,						93 00		
	√	Memo.,	Dep. proceeds # 75,							5907 00	
22	√	Expense,	Exp. Book; Week,				75 80				
	7	Interest,	Dis. on. note # 76,						11 00		
	√	Memo.,	Proceeds # 76,							1989 00	
25	√	Labor,	Jno. Cooper, # 89,					15 00			
39	√	Labor Acct.,	Pay roll for T. B. 6,					3215 50			3215 50
	14	Salary Acct.,	Bal. Due,						355 00		
	11	Freight & Cartage,	Pd. Freight Bill,						185 00		
	2	Dan'l Dunning,	Private Acct.,						152 50		
	9	Traveling Exp.,	Rept. J. W. Jones, salesman,						175 50		
					198 89	10258 19	114 60	3245 50	997 00	15954 17	13473 69
										Bal.	2480 48
	1	Accts. Pay.,	For mo.,						10457 08		
	8	Office Expense,	" "						114 60		
	10	Labor Acct.,	" "						3245 50		
	7	Discount,	*Contra*, on Accts. Rec.,						67 13		
									14881 31		
		Balance,	*Bank*, *2480.48*						3952 30		
			Safe, *1471.82*						18833 61		

ordered to be shipped, which information is obtained from the order of Lincoln & Co., in the Order Book. [45]After the goods have been selected and are ready to be packed in the case, as each dozen or the number of dozens of any one kind are placed in the case, the item is checked thus √ in the column headed "Check" (*see illustrated form*). [46] When the goods are all packed and the $^{B}/_{L}$ obtained, the invoice is rendered and copied; and when the two are enclosed and mailed, the amount, 483.00, is extended into the column headed "Bill Rendered," but never before. [47]An extra column is provided for goods returned, in which the parties returning the goods are credited in account. [48] In posting the footings of the sales for the month, the footing of the returned column is deducted and only the net sales are credited.

[49] **The Cutters Stock Book** illustrated on pages 192, 193, is a very important book in a manufacturing business of whatever kind. It is called the Cutters Stock Book as the cutting department is the basis for all work to be done. [50] Sometimes the record is made in a book and sometimes it is made on stock sheets ruled for the purpose. [51]As most goods are manufactured based upon orders or the probable sales for each season, it is important for the manufacturer to know not only the kind of goods to be made, but he should also know in just what months certain styles are to be shipped. [52] In this way he can run his stock low at the end of the year, for as styles are constantly changing, "dead stock" always depreciates in value.

The Invoice Book.—[53]The Invoice Book, or Purchase Book, illustrated in this set is often used as one of the main books. [54] In it are entered all invoices and bills, though not necessarily in the date and order of their purchase, but in the order that goods are received and invoices "O. K.'d." [55] Where purchases are of frequent occurrence and the number of invoices aggregate many hundred during the year, the use of this book as a principal book would be impractical. [56] But where purchases are infrequent and usually in large quantities, the Invoice Book is both convenient and labor-saving.

[57] The Invoice Book is usually about 18 inches long by 12 inches wide, with upwards of 400 pages, and bound somewhat like a substantial scrap book, the leaves being of heavy uncalendered paper. [58] Usually two money columns are provided, one for Cash bills and one for Time bills.

CUTTERS STOCK BOOK FOR

RECORD BY NUMBER.

DATE.		NAME.	O. B. Fo.	HEAVY GOODS.												FINE GOODS.			
				715	*710*	*708*	*705*	*625*	*610*	*605*	*600*	*415*	*416*	*425*	*430*	*435*	*440*	*451*	*452*
July	6	Lincoln & Co.,	6	100		100	50	25	25	10	50					25	25		50
	5	Wells, Munger & Co.,	15	100					100									50	
	30	Burnham & Wood,	20	50	50							50							
		(Footings)		*250*					*125*										
Aug.	10	Wood & Co.,	41										25					50	
	20	Green & Co.,	45			50										50			
	28	Moore & Co.,	50											50	50				
Sept.	10	Burnham & Co.,	52						100							100			
	20	Brown & Co.,	58	50					50							25	25		
				300	50	150	50	25	275	10	50	50	25	50	50	200	50	100	50

The large figures in October, November, and December, 95, 50, 245, etc., respectively, indicate the total number of dozens placed for those months, up to the end of March.

[59] When the invoice is ready for credit, it is pasted in the Invoice Book, care being taken not to extend the right-hand end of the invoice beyond the first rulings of the money columns. [60] To properly do this it is often necessary to trim the edges of an invoice, for invoices from different business houses are not uniform in size. [61] In preparing an invoice to be pasted into the book, first apply the paste or mucilage and then let the invoice dry out. Then apply the brush a second time, and paste the invoice into the book. By observing these directions, a smooth, even surface will be secured, the reason being that the paper will shrink if pasted in at first. [62] As the Invoice Book is one of the main books, it is well to observe that "that which is worth doing at all is worth doing well."

[63] When the Invoice Book is used as a principal book, accounts are credited in the Purchase Ledger direct from it, and [64] at the end of the month the footings are debited to Mdse., Silk and Thread, Boxes, etc., and the aggregate credited to Accounts Payable. (*See illustration of Invoice Book, page 195.*)

Retrospective and Prospective.—[65] It can be determined by the thoughtful student, that in the analysis of Merchandise account, illustrated on page 196, that the raw material costs about 40% of the total cost, and that therefore the remaining 60% must represent the creative power of labor. [66] Further he will determine that labor and capital combine in producing manufactured products. [67] The balance sheet of the main ledger is to the manufacturer both a retrospect and a prospect. Aside from the question, or fact, of losses and gains, it serves another purpose. [68] Retrospectively, it serves him as a compilation of statistics; [69] prospectively it serves as a basis upon which to calculate the cost of new products, and the amount of gains for the coming year, based upon an increased volume of business.

The General Ledger.—[70] The accounts of Freight and Cartage, Bands, Boxes and Cases, Silk and Thread, Buttons and Fasteners, Labor, Salary, Manufacturing Expense, and Traveling Expense, are separate and regular open ledger accounts during the fiscal year, but at the end of the year are closed into Merchandise account, a part of which they really are.

[71] An auditor, or expert accountant, could audit the first four of these based upon the voucher system, by the bills of purchase on file; Labor and Salary accounts by the Pay Rolls; Manufacturing Expense by the Expense Book, and Traveling Expense by the reports of salesmen.

[72] Just what is a voucher is evidently a question of fact rather than a question of law, and yet it is really a question of law in certain cases. In a large manufacturing business small purchases are usually made and no bills rendered therefor. But the Expense Book should be kept by the superintendent, or buyer, in his own handwriting, and if so kept, so far as

THE YEAR 189–.

RECORD BY MONTHS.

OCTOBER.		NOVEMBER.		DECEMBER.		JANUARY.		FEBRUARY.		MARCH.	
No.	Doz.	No.	Doz.	No.	Doz.	No.	Doz.	No.	Doz.	No.	Doz.
715	10										
708	10			715	40	435	25	625	15	715	50
705	10			708	40	440	25	610	15	708	50
625	10			705	15	452	50	600	40	705	15
715	10									715	90
600	10									610	90
605	10	610	10							451	40
610	10	451	10								
415	5			715	15					715	30
710	5			710	15					710	30
715	5			415	15					415	30
	95										
				416	25						
				451	50						
					215						
		708	10							708	40
		435	10							435	40
		425	5							425	45
		435	5							435	45
			50								
				610	10					610	90
				435	10					435	90
				715	5			435	25	715	45
				610	5			440	25	610	45
	95		50		245		100		120		865

PAY ROLL MEMORANDUM.

E. M. Livingstone

Requires as follows:

Pennies, 115	1	15	
Nickels, 30	1	50	
Dimes, 18	1	80	
Quarters, 25	6	25	
Halves, 20	10	00	
1's, 50	50	00	
2's, 10	20	00	
5's, 100	500	00	
10's, 50	500	00	
Total,	1090	70	

STOCK TICKET.

No. *625.* Style, *Outseam.*

Cutter, *James McDowell.*

Silker. *Mary Spore*

Maker, *Mrs. M. Brown.*

Hemmer, *Mrs. Nancy Smith.*

Laying Off, *Jno Mann*

Packer, *Frank Turner.*

the record of the Cashier is concerned, the Expense Book at law would be a voucher, and, so far as office expenses were concerned, its checking with the cash would vindicate the cashier's record.

Plan of the Set.—[73] The set herewith submitted in the memoranda represents the continuance of the business of a manufacturer for the year 189–, as represented in the illustrated set on pages 188–197. [74] As explained in the memoranda, instead of opening a set of books, which a young book-keeper would hardly ever have an opportunity of doing, the student is supposed to assume charge of a set of books already open, with a year's record made, the accounts closed and balances brought down Oct. 1st. [75] The books for the old year, however, are supposed to be filled and new ones are needed; and the student, as book-keeper, is required to transfer the balances from Ledger "A." to the new ledger, to be known as Ledger "B." [81] In transferring from an old ledger to a new ledger, the following may be observed: In an old ledger, in actual business, there should be entered in each account, in *red* ink, "*New Acct., Ledger "B.,*" and also the folio. [76] In the new ledger the student should write "Old Acct., Ledger A.," and give the folio.

ORDER BOOK.

ORDER OF LINCOLN & CO., No. 178 Adams St., Chicago.

RECORD OF ORDER.									RECORD OF SHIPMENT.														
ORDER No.	DATE		DOZ.	NO.	KIND.	WHEN SHIP.	HOW SHIP.	TERMS.	PRICE.	WHEN SENT.			S. B. FOL.	715	710	708	705	625	610	605	600	Bill No.
										DATE.		AMT.		$24	$18	$12	$13	$10	$12	$8	$9	Price.
1	Sept.	2	100	715	Reg.	½ at once. Bal. April 1st.	Samples for Exp. Stock Mer. Dis., via Mich. Centl.	Oct. 1, 6/10 5/30 4 mos. net.	24 00	1890. Aug.	1	318 00	1	100	50	50	75	25	40	40	20	Ord. # 1.
			50	710	Reg.				18 00					3	3	3	3	3	3	3	3	Samples.
			50	708	Reg.				12 00					97	47	47	72	22	37	37	17	Balance.
			75	705	Reg.				13 00									50				Ord. # 2.
			25	625	Reg.				10 00					97	47	47	72	72	37	37	17	Balance.
			40	610	2 B.				12 00													
			40	605	Reg.	Samples, 3 doz. each, same.			8 00													
			20	600	Reg.				9 00													
2	Sept.	10	50	625	Reg.				10 00													

The only object of entering the amount of each shipment in dollars in the "Record of Shipment" division of the Order Book, is to check for omitted shipments. In the above order of Lincoln & Co., while the detail of the shipment, if omitted, would be found only in the Shipping-Sales Book, yet, to quickly determine if a shipment has been omitted, check the different debits in their account in the Sales Ledger, and if a bill has been omitted, turn to the page of the Sales Book as shown in the Ledger account, and then record the shipment in the Order Book.

PAY-ROLL BOOK.

CONTINUOUS MONTHLY PAY-ROLL, JUNE 1889 TO SEP., 1890.

NAME.	NAME OF FOREMAN	DEPARTMENT.	BOOK.	PRICE.	JUNE.			JULY.			AUG.			SEPT.		
					AMT.	PD.	BAL.	AMT.	PD.	BAL.	AMT.	PD.	BAL.	AMT.	PD.	BAL.
Cooper, John	Smith.	Cutting.	D.		62 00	5 00	57 00	59 00	5 00	54 00	58 00	5 00	53 00	58 00	15 00	43 00
Egan, M. W.	Smith.	"	D.		52 00	10 00	42 00	54 00		54 00	47 00		47 00	57 00		57 00
Morse, W. F.	Smith.	"	D.		50 00		50 00	51 00		51 00	49 00		49 00	48 00		48 00
Wilson, Tom	Everest.	Making.	C.		54 00		54 00	57 00	5 00	52 00	56 00		56 00	51 00	10 00	41 00
Winnie, Mary	Miss Green.	Silking.	A.		40 00	5 00	35 00	43 00	10 00	33 00	35 00		35 00	40 00		40 00
Martin, Nancy	" "	"	A.		31 00		31 00	35 00		35 00	38 00		38 00	37 00		37 00
Fish, Mary	Watson.	Hemming.	B.		23 00	15 00	8 00	22 00		22 00	27 00		27 00	23 00	5 00	18 00
Allen, Ellen	"	"	B.		25 00		25 00	28 00	10 00	18 00	20 00		20 00	27 00		27 00
Prove footings. Bal.	by Pay Roll.		Forward,		337 00	35 00	302 00	349 00	30 00	319 00	330 00	5 00	325 01	341 00	25 00	311 00
Prove footing of Pd.	col. by C. B.															

INVOICE BOOK.

SEPTEMBER, 189–.

New York, Sept. 5, 189–

Mr. Dan'l Dunning.

Bought of BROWN, JOICE & Co.,

General Commission Merchants.

TERMS: —*30 da. Net.* Rebate per Contract. L. F. 83.

						CASH.		TIME.	
	5	Bales, 3101½ ♯ Sisal Buckskins,	50¢			1550	75	1550	75
	√	609 ♯ 620 ♯ 621½ ♯							
O. K.	√	621 ♯ 630 ♯							
		See Contract. Rebate 5%.		77	54				

Boston, Sept. 10, '89.

Mr. Dan'l Dunning.

Bought of SEAVEY & BOWMAN,

MANUFACTURERS OF SILK THREAD.

TERMS: —30. 2% 10. L. F. 85.

√	10 ♯ White Silk, O. O.,	6.00	60	00				
√	10 ♯ Black " A.,	5.50	55	00	115	00		
√	5 Gro. Glove Fasteners,	15.00			75	00		
	Silk %, 115.00				190	00	190	00
	O. K. Buttons, 75.00							

New York, Sept. 30, '89.

BOICE BROS.

SOLD *Dan'l Dunning.*

Manufacturers of Cases and Boxes.

30 da. Net. L. F. 87.

√	15 Cases,				13	50		
√	100 Boxes and Bands,				5	50		
	Acct. Bands, Boxes and Cases.				19	00	19	00
							1559	75
						17	Rebate,	77	54
						19	Mdse.,	1473	21
						14	Silk,	115	00
						16	Buttons,	75	00
						13	Boxes,	19	00

LEDGER A.

DANIEL DUNNING. Investment Acct.

189–.						189–.					
Sept.	30	Present Worth,		75356	33	Sept.	1	Investment,	2	50000	00
							30	Net Gain,		25356	33
				75356	33					75356	33
						Oct.	1	Balance,		75356	33

MANFG EXPENSES

189–						*189–*					
Sept.	1	Balance,		1483	64	*Sept.*	*30*	Mdse., L.	12	*1598*	*24*
	30	C. B.,	136	114	60						
				1598	24					1598	24

MERCHANDISE

DATE.		RAW MATERIAL.	P. B.	FIRST COST.		DATE.		NO. DOZ. SOLD.	S. B.	NET SALES.	
189–.						189–.					
Oct.	30		3	2118	07	Oct.	30	*915 Doz. Sold,*	2	12050	70
Nov.	31		5	1218	40	Nov.	31	*802* " "	4	5500	00
Dec.	30		6	3159	75	Dec.	30	*312* " "	5	2921	75
189–						189–.					
Jan.	31		8	3341	25	Jan.	31	*275* " "	6	2512	75
Feb.	31		10	3500	00	Feb.	31	*315* " "	8	2813	21
Mar.	28		13	1750	25	Mar.	28	*290* " "	11	2065	25
Apr.	31		16	2749	75	Apr.	31	*285* " "	13	2175	19
May	30		17	5500	15	May	30	*1682* " "	16	15126	75
June	31		19	2850	00	June	31	*1758* " "	20	18212	50
July	30		20	2450	00	July	30	*1425* " "	29	15716	50
Aug.	31		30	3149	10	Aug.	31	*1170* " "	32	12917	75
Sept.	31		32	1550	75	Sept.	30	*876* " "	36	8210	25
		Total cost raw,		33337	47			Total sales,		100222	60
Sept.	30	Freight & Ctge., L.	5	1685	85			*Inv. 1114 doz. I. B. # 8,*		*7835*	*50*
	30	Bands, Boxes & Cases,	8	1810	12			11,219 sold and on hand.			
		Silk %, L.	10	2014	16						
		Buttons, L.	11	561	90						
		Labor %, L.	6	28150	70						
		Salary %, L.	8	3821	26						
		Manfg. Exp., L.	18	1598	24						
		Traveling Exp., L.	19	2147	80						
		Pay Roll due T. B.,	*16*	*3152*	*50*						
		Gross Cost,	*28*	*78280*	*00*						
	30	*Loss & Gain %.,*		*29778*	*10*						
				108058	10					108058	10
189–.						189–					
Oct.	1	To Balance,		7835	50	Oct.	1	By Pay Roll due Inv.,		3152	50

LOSS & GAIN

189–.						189–.					
Sept.	30	Machinery,	17	4800	00	Sept.	30	Mdse., Net.		29778	10
		Discounts, L.	13	2850	60		30	Mill %, L.	20	3303	35
		Furniture,	18	74	52						
	30	*Stock,*		*25356*	*33*						
				33081	45					33081	45

TRIAL BALANCE — SEPT. 1890.

L. F.			DR. FOOTINGS.		CR. FOOTINGS.		RESOURCES.		LIABILITIES.	
1	Dan'l Dunning,	Investment,			50000	00			75356	33
3	Dan'l Dunning,	Private acct.,			991	00			991	00
10	Accounts Receivable,	per Sales Ledger,	8210	25	1340	50	6869	75		
14	Accounts Payable,	per Purchase Ledger,	10457	08	11760	00			1302	92
18	Rebate acct.,	Accumulated,	826	50			826	50		
20	Bills Payable,	Notes outstanding,			11000	00			11000	00
21	Machinery acct.,	Net worth plant,	32000	00			27200	00		
22	Furniture acct.,	" " on hand,	574	52			500	00		
23	Real Estate,	Present value,	44618	70			44618	70		
28	Merchandise,	Cost and sales,	33337	47	100222	60	7835	50	3152	50
30	Labor,	Total cost,	28150	70						
32	Bands, Boxes, and Cases,	" "	1810	12						
33	Salary acct.,	" "	3821	26						
34	Buttons,	" "	561	90						
35	Silk and Thread,	" "	2014	16						
36	Mill acct.,	" " and returns,			3303	35				
37	Manufacturing expense,	" "	1598	24						
38	Traveling expense,	" "	2147	80						
40	Interest and Discount,	" " and returns,	3049	49	198	89				
42	Freight and Cartage,	" "	1685	85						
C. B.	Cash,	per Cash Book,	3952	30			3952	30		
			178816	34	178816	34	91802	75	91802	75

[77] The Stock Company set which follows this set is a continuation of the business represented in the foregoing illustrations and the memoranda connected therewith. [78] Therefore, in opening the Ledger accounts in this set, sufficient space must be left for the entries of two months' business. [79] Give each account in the Main Ledger one-third of a page space, excepting the accounts of Dan'l Dunning and Merchandise. [80] Open Dunning's account at the top of a blank page and give it eight lines space. [81] Use the remaining space on that page for the Merchandise account. [82] Give each account in the Sales Ledger one-fourth of a page space.

PETTY PERSONAL ACCOUNTS.

189–.									189–.			
Sept.	1	G. W. Getman, Norwich, Ct.	10	8	40			6	Sept.	15	Cash, 5.00.	
	7	Marsh & Grant, √ Hartford, Ct.	17	24	75	24	75	8	√	30	Cash,	
	21	L. Ayrault, √ Lynn, Mass.	19	88	75	88	75	5	√	30	Cash, 50.00.	June 5, 38.75,
	24	L. & G. Freeman, City.	28	62	50							
	28	M. W. Green, √ Springfield.	29	11	39	11	39	9	√	Oct. 1	Cash,	
	30	J. J. Sidney, Hanover.	31	5	19			11		10	Cash, 3.00.	

[83] The above represents the manner of keeping transient or miscellaneous accounts. [84] Where a sale is made to a party who is not a regular customer, instead of opening an account with him on a separate page, the entry is made in the account headed Petty Personal Accounts, or as it is sometimes called, Miscellaneous Accounts, together with other accounts that are not likely to be active, permanent accounts. [85] You will observe by the above form that the space occupied by each account takes but two lines—the first for the name, the second for the address. [86] When an account is settled the credit is entered on the line directly opposite the debit, thus showing the account balanced. [87] When an account is not paid in full in one payment, a short extension may be made, and when paid in full, the items on both sides of the account are checked thus √, as above illustrated.

[88] The above illustration is independent of the above trial balance, but the form is used in the memoranda following.

MEMORANDA OF TRANSACTIONS FOR OCTOBER.

OCTOBER 1, 189–.

"Student" engages as book-keeper for Dan'l Dunning, manufacturer of gloves and mittens, Glove City, N. Y. He assumes charge of the books to-day, October 1, 189–, with resources and liabilities brought down, the books having been closed on the day previous — Sept. 30th — the end of the fiscal year.

Instead of opening a set of books the student assumes charge of a set already open, and simply continues the system in use. In business the book-keeper should test the books to determine if they are in balance, as shown by the trial balance recorded for that month. The cash in safe should be counted, the bank balance should be called for, and the bank book should be made up to determine if the amount of cash on hand, as shown by the Cash Book, is correct. All notes and acceptances should be scheduled and checked in the Bill Book and also in Bills Receivable account, to test the correctness of that account. If any notes are missing he should inquire for them at bank to learn if they were left there for collection; or, if remitted to outside banks or attorneys for collection, he should send for report.

He should next open a Daily Cash Balance Book, if not already open, and bring down the cash balance, as found. If there had been a custom to keep cash memoranda on slips of paper in the cash drawer, to be copied at night, he should stop the custom at once. He should enter cash transactions immediately in the Cash Book, and not form a habit of writing charges or credits upon slips of paper to be copied into the regular books "when he has time," but make the entry in the proper book of record at the time of the transaction.

Sometimes, in large concerns, a regular system of charge and credit tickets is in use, but the tickets are always filed, and sometimes bound into a book, and in either case become the basis for such debits and credits. This system, however, is never allowable in reference to cash transactions when a daily Cash Balance Book is used.

As it is customary in large concerns to commence a new ledger each fiscal year and designate each as Ledger "A," Ledger "B," etc., the student will now open Ledger "B," with the following resources and liabilities, as shown by the trial balance of Ledger "A," on page 197. Open ledger accounts as follows, with accompanying explanations: Accounts Receivable.— Oct. 1, 189–, Ledger A, page —, 6869.75. Rebate account, Oct. 1, 189–, Ledger A, page —, 826.50; Machinery, Oct. 1, 189–, Ledger A, page —, 27200.00; Real Estate, Oct. 1, 189–, Ledger A, page —, 44618.70; Merchandise, Oct. 1, 189–, Ledger A, page —, 7835.50; Furniture, Oct. 1, 189–, Ledger A, page —, 500.00; Cash account, Oct. 1, 189–, in Cash Book, 3952.30.

Open the Main Cash Book showing balance on hand (*see illustration, page 190 and 191*). On the debit side write as follows: "189 — Oct. 1, Balance, in safe, 1471.82; in bank, 2480.48," and extend into the General column the total, 3952.30, as shown by the trial balance. On the credit side enter for the amount in bank, "Oct. 1, Memo. bal. in bank," and extend into the Deposit column of "Memo. Bank Acct." the 2480.48.

Next open the accounts showing liabilities and get the amounts from the trial balance on page 197. Mdse., Oct. 1, 189–, Pay Roll, brought down, Ledger A; Private Account, Oct. 1, 189–, Balance, Ledger A; Accounts Payable, Oct. 1, 189–, Balance, Ledger A; Dan'l Dunning, Oct. 1, 189–, Ledger A; Bills Payable, Oct. 1, 189–, Ledger A.

After opening the above accounts, take a trial balance to determine if the new ledger *is* in balance. To the student, the text-book is the old ledger, or Ledger "A." In this, of course, no entries can be made, but in business the book-keeper would write in each account, "New acct., Ledger B," in red ink, and balance the account.

In the Sales Ledger open an account with Burnham & Wood, and in the account write: Oct. 1st, 189–, Old acct., Ledger A, 6869.75, the amount of which is the debit balance of Accounts Receivable as shown in the trial balance.

In the Purchase Ledger open an account with Brown, Joice & Co. and credit their acct., "Balance Ledger A, 1302.92," and in the Accounts Payable Book, "Brown, Joice & Co., Invoice Sept. 5th, 30 days, 1302.92. Draw balancing lines underneath. Do not include in monthly footings, as this would throw the Ledger out of balance. This amount checks with the credit balance of Accounts Payable in the General Ledger. In the Bill Book copy in the notes outstanding, as follows: "Aug. 1, 189–. Bank, 90 days, due Nov. 2, 3000.00; Sept. 15th, Bank, 90 days, due Dec. 17, 6000.00; Sept. 28, Bank, 30 days, due Oct. 30, 2000.00. These together total the 11000.00 shown in the credit of Bills Payable account.

Copy the 1114 dozens of Gloves on hand, as represented in the Mdse. acct. (*see page 196*) into the Inventory Book. You will get the actual cost of each from the price list given on next page.

MEMORANDA OF TRANSACTIONS FOR OCTOBER (Continued).

The 1114 dozens on hand are as follows: No. 715, 30 dozens; No. 710, 40 dozens; No. 708, 20 dozens; No. 705, 70 dozens; No. 625, 70 dozens; No. 610, 70 dozens; No. 605, 70 dozens; No. 415, 75 dozens; No. 416, 75 dozens; No. 425, 75 dozens; No. 430, 300 dozens; No. 435, 20 dozens; No. 440, 20 dozens; No. 451, 50 dozens; No. 452, 40 dozens; odd pairs and broken dozens, 89 dozens, worth 416.35.

For this month the following are the different numbers on sale, which the student will copy into a Price List ruled for the purpose:

No.	Selling Price.	Cost Price.	No.	Selling Price.	Cost Price.	No.	Selling Price.	Cost Price.	No.	Selling Price.	Cost Price.
415,	8.00,	5.94	435,	36.00,	26.79	600,	10.00,	7.42	705,	10.00,	7.42
416,	7.00,	5.19	440,	34.00,	25.24	605,	9.00,	6.68	708,	13.00,	9.65
425,	7.50,	5.56	451,	15.00,	11.12	610,	8.00,	5.94	710,	12.00,	8.90
430,	5.50,	4.08	452,	16.00,	11.87	625,	10.00,	7.42	715,	18.00,	13.36

In business the Calculation Book would be compiled at this time, and a calculation would be required upon each sample to be made.

The student, however, will make calculation upon but one number. Turn to the illustrated form on page 188, and the analysis given on page 187, under the heading Calculation Book, and study both carefully. Next, copy the calculation of No. 625 upon a blank sheet of cap paper, testing each conclusion by the analysis given.

With the completion of the above opening memoranda the transfer from Ledger "A" to Ledger "B" is said to be finished. Let the student bear in mind, however, that the trial balance must be taken off after the transfers have been made as above required, as no set of books can be said to be either opened or transferred until the work has been tested by a trial balance, which alone is the only test that the Ledger is in balance. Remember, also, that an abstract of the different Ledgers must be taken after each has been posted to determine if the aggregate balances check with the balances of the accounts representing them, as shown in the trial balance of the General Ledger.

In your blank book or statement book, or in a book made by yourself out of cap paper, be sure to open, as directed, the Inventory Book, Bill Book and Daily Cash Balance Book. Full explanations of the Daily Cash Balance Book, which is first used in the following memoranda, may be found on page 123, in the Coal Set (*see illustration in Appendix*). The object of this book as explained there is two-fold: First, to prove the exact balance of cash that should be in the *safe* each day; second to provide a book in which the entries shall be made by the different persons who may handle the cash. The Invoice Book, which is fully explained on pages 191 and 192 will not be used in working the memoranda from the fact that in theoretical work the student receives no invoices from the parties of whom he is supposed to be buying, therefore he will use the Accounts Payable Book in this set. But it is believed that the illustrations and explanations given will enable the student to fully understand the manner of compiling an Invoice Book from the original invoices, and to be able to use such a compilation as a main book in his counting room work in actual business.

The different books are to be posted at the end of each memoranda date. The Stock Book and Order Book must be carefully compiled at the time and in the manner directed to properly understand them. To that end continue to refer to the illustrations in working out the memoranda.

The Daily Cash Balance Book shows the following record for the day: Balance in safe, 1471.82; received of Burnham & Wood, draft, No. 832, on N. Y., 6457.56; total, 7929.38. Paid for postage, 2.00; for pens and ink, 50¢; for set of books, 12.50; deposited 2000.00; total, 2015.00; balance in safe, 5914.38. (*Copy above into the Daily Cash Balance Book and into the Main Cash Book On the debit side of the M. C. B. enter as follows: "Burnham & Wood, Bal. acct., less 6%. Disct., 412.19. Net Cash, 6457.56, extending the items into the Accounts Receivable columns of the Sales Ledger division.*)

In the Daily Cash Balance Book only actual cash transactions are entered. In copying the remittance of Burnham & Wood into the Main Cash Book the amount of the draft must be divided by .94, as the 6457.56 represents the balance of the account less 6%, or 94% net. Dividing, you get 6869.75, which is the balance due on acct.

(*On the credit side of the Cash Book copy from the D. C. B. B. the above payments, as follows: Manfg. Expense, books for office, 12.50; postage, 2.00; pens and ink, 50¢, and extend into the columns headed "Manfg. Expense" of the General Ledger division. On next line write "Memorandum." "Deposited," and extend the amount of the 2480.48 which was in bank on the first of the month, and the 2000.00 above deposited, into the "Deposit" column of the Memorandum Bank account on the extreme right of the Cash Book.*)

While the bank balance is called cash, and in making up the Cash Book must be added to the balance in safe to prove the Cash account, yet the Memorandum account is often very convenient not only to show the condition of the bank acct., but it aids in proving all entries made in the Cash Book for payments that were made by check.

The Daily Cash Balance Book shows the exact balance of cash *in safe*. The stub of the Check Book or the Memorandum Bank Account shows the exact balance of cash *in bank*, but the Main Cash Book shows the exact balance of cash on hand, which is the sum of both safe and bank balances. (*See illustrated Cash Book, pages 190, 191*).

MEMORANDA OF TRANSACTIONS FOR OCTOBER (Continued).

The Order Book for the day shows but one order, which is from Burnham & Wood, for winter goods, as follows: 100 doz. No. 715, 18.00; 50 doz. No. 710, 12.00; 24 doz. No. 708, 13.00; 24 doz. No. 625, 10.00. Goods are to be shipped by M. D. over N. Y. C. R. R., one half of the stock during the present month, balance on or before Dec. 1st. Sample dozens to be sent at once by express. Terms, Oct. 1st, 6–10, 5–30, 4 mos. net. (*Enter in Order Book* [*see illustration, page 194*]. *Under the heading "Record af Order," on the left-hand, enter, first, "No. 1," in order number column, then date of order, the number of dozens, the sale number, kind, when to ship, how to ship, terms and price. Then on the right-hand side fill out the Stock Book or Record of Shipment, which is intended to show at any time the amount of goods to be shipped. Head the perpendicular columns consecutively, numbers 715, 710, 708, 625, according to the above order. Under each write the price and under that put down the number of dozens of each number. Consult carefully the illustrated order of Lincoln & Co., on page 194.*) (*Give each account ½ page in the Order Book.*)

At this time of the year the October dating as given means simply Regular Terms. For instance, if goods are shipped Oct. 20, the buyer has ten days, or until Oct. 30th, to discount at 6%. Also a bill sent Nov. 1st is subject to a discount of 6%, if paid on or before Nov. 10th.

The following purchase has been made, as per invoice checked off: Seavey & Bowman, Oct. 1st, Inv. No. 1, 30 ds. net, 2% 10 days, 25 lbs. O. O. Silk at 6.00. (*Enter the above invoice in the Accounts Payable Book.*)

The stub of the Check Book shows the following: Ck. No. 1, Brown, Joice & Co., Bal. invoice Sept. 5, 1302.92. Ck. No. 2, Daniel Dunning, on private acct., 75.00. (*Enter in Main Cash Book as follows: Charge B., J. & Co. and extend amount into the column headed "Accounts Payable" and also enter the amount of the check in the memorandum bank column. Charge Daniel Dunning in the General column and extend the amount into the memorandum bank column, carefully observing the illustrated Cash Book, folio 191.*)

The above entries will *increase* the amount of cash payments and decrease the amount in bank. Follow the custom of recording regularly and consecutively each check number in the Cash Book for two reasons, viz.: First, if you say "per check No. 84" you know at once by scanning the numbers that the amount of the check should also be found in the memorandum bank acct. as well as in the regular cash payment columns. Second, by recording consecutively, should you omit to enter a payment made by check in the Cash Book, the numbers would fail to be consecutive by just the particular number or numbers omitted.

Bear in mind that no payments made by check are entered in the Cash Balance Book; that all entries made in it are for cash, and that the balance indicated in it is the real balance in safe. Should *all* the cash be deposited, the debit and the credit of the Daily Cash Balance Book would foot equally, while the Main Cash Book would show a balance exactly equal to the bank balance.

Quotations were received from Brown, Joice & Co. for 25 bales Sisal Buckskins, undressed, at 45¢ per lb., "F. O. B." in New York; 5 bales are in port, 10 bales are afloat and due by next steamer from Rio, and 10 bales are in Rio ready for shipment. Sent telegram to place our order for entire lot. Telegraph message paid in cash per Daily Cash Balance Book, 25¢. (*Daily Cash Bal. Book.*)

In business in a case like the above, a memorandum of the order would be made in a book kept for that purpose, or a copy of the telegram would be made in the Letter Book by means of a copying press.

Deposited cash 5600.00. (*Enter on stub of Check Book and in the Daily Cash Balance Book.*)

OCTOBER 2, 189–.

Consigned to G. P. Gunning & Co., Albany, the full amount of Gloves and Mitts on hand Sept. 30th, as per inventory. Limit at 1.00 advance of our inventory prices. (*Enter in Shipping-Sales Book,* [*see illustrated S. B., page 189*]. *Instead of charging the amount to their account charge "Shipment To Gunning & Co., 8949.50," which amount is found by adding a dollar a doz. each for the 1114 dozs. to the amount of the inventory, 7835.50. Open the Shipment account in the Sales Ledger.*)

Drew a check in favor of Daniel Dunning for balance due him on private acct. (*See balance of acct. Oct. 1st, less subsequent payment on same. Post the amount to his private account and balance the account.*)

Paid cash for repairs of Machinery, 6.25; for broom, 75¢; laundry for office, 80¢. (*Enter in Cash Balance Book, Expense account.*)

MEMORANDA OF TRANSACTIONS FOR OCTOBER (Continued).

Received invoice and B/L from Brown, Joice & Co., dated Oct. 1st, for 5 bales Sisals—Rebate 5%. 612, 622, 625, 608, 618—3085 lbs., at 45¢—on 30 days net. (*Enter in A. P. B. In left-hand column mark in red ink "acct. Mdse.," 1318.84, Rebate, 69.41. In forming the totals at the end of the month, 69.41 of this is to be charged to Rebate acct., and the balance to Mdse.*)

The meaning of Rebate acct. is this: Commencing with last year's purchases an account was opened with Brown, Joice & Co. for skins at net prices—no discount—but an agreement was reached that when the aggregate purchases should amount to 20000.00 they would allow a rebate of 5% on the account. Purchases of skins are therefore confined to the house of Brown, Joice & Co., and Rebate acct. represents the amount to become due when the 20000.00 shall be purchased. It is evident that when Rebate acct. aggregates 1000.00 it has matured and is collectible.

Shipped the sample dozens ordered by Burnham & Wood on the 1st inst. (*You will find this order in their Order Book account which you opened at the time. Enter a charge of the samples sent in the Sales Book. See illustration, page 189. After recording the above shipment of samples the right-hand side of their account in your Order Book headed "Record of Shipment," will stand as follows:*)

Record of Shipment.	*715.*	*710.*	*708.*	*625.*	Number.
	18.00	12.00	13.00	10.00	Price.
October 1, order rec'd.,	100	50	24	24	Dozens Order No. 1.
" 3, shipped,	1	1	1	1	Samples per S. B. 2.
Balance to be delivered,	99	49	23	23	

The correct keeping of this book is of the utmost importance and the student should audit same from time to time. By now comparing the order of Burnham & Wood with the illustrated Order Book on page 194, it will be seen that after recording in the O. B. at the left the order as received, the order is again entered under the head "Record of Shipment and Balance Due," but this time it is entered horizontally. From this the sample dozens are deducted, which leave a balance in kinds and styles that are due. When properly kept, the shipping clerk need make no error even in the rush of business regarding the amount due each customer.

The following orders are just to hand by mail: Lincoln & Co., Terms Regular, 50 doz. No. 715, 18.00; 100 doz. No. 625. 10.00; 50 doz. No. 430, 5.50. One-half to be shipped per M. D. as soon as possible, the balance to be shipped during the month or by the 1st of Nov. Samples to be forwarded immediately. Shipping marks same as in first order placed. (*See their first order in illustrated Shipping-Sales Book, page 189.*)

The shipping mark indicates the department number of Lincoln & Co., and by its being entered in the invoice and stamped upon the case the truckmen and the receiving clerks of Lincoln & Co. can handle all freight as it arrives with promptness and despatch. This shipping mark and route of shipment should be recorded in the Shipping-Sales Book at each shipment for reference.

From Wells, Munger & Co., Terms Regular, 100 doz. No. 625, 10.00; 100 doz. No. 708, 13.00; sample doz. at once. One half by 25th, balance in Nov. (*Enter in Order Book.*)

Shipped per express the samples ordered by Wells, Munger & Co. and Lincoln & Co. (*Enter in Sales Book and deduct from their order in Order Book.*)

The following invoices are audited: Seavey & Bowman, Oct. 3rd, 30 days, 2% 10 days: 25 lbs. Black Silk "A," 5.50 per lb. Boice Bros., 30 days net—Oct. 5th, 189–: 25 cases, 22.50; 200 bands and boxes, 11.00; total invoice, 33.50. (*Accts. Pay. Book.*)

You will now close your Daily Cash Balance Book and copy same into the Main Cash Book. Be sure to extend the deposit of 5600.00 into the Memo. column. Amt. cash in safe, per D. C. B., 306.33.

The stubs of the Check Book show the following checks issued: Check No. —, Daniel Dunning, private, Oct. 2d, 60.00; Check No. —, Cash, for office, Oct. 2, 100.00; Check No. —, Seavey & Bowman, on acct., to pay invoice Oct. 1, 150.00, less 2%, 147.00. Check No. —, Henry Winder, Traveling Expenses, 100.00; Check No. —, Harvey & Smith, Sample Cases, 8.00. (*Charge Seavey & Bowman, Private acct. Traveling Expense and Furniture and Fixtures in Main C. B., Contra Discount, 3.00. Extend net amount of checks into memo. bank column. Enter "Cash for office" Daily Cash Balance book, per ck., No. ——.*)

MEMORANDA OF TRANSACTIONS FOR OCTOBER (Continued).

OCTOBER 4, 189–.

Shipped one-half of each of the following orders, less samples already sent: Wells, Munger & Co., Lincoln & Co. and Burnham & Wood. (*Enter in Shipping-Sales Book and then in O. B.*)

If you have an order for 24 doz. No. 635—one half to be shipped during the month, and the balance later, and have sent out 1 doz. samples, the amount to ship next will be 11 dozens and the last shipment 12 dozens. Doubtless the thought has come to the student "How can we be shipping goods to customers when we have recently sent all the goods on hand to Albany." But the explanation is that goods are being manufactured daily. The Supt. and Foremen of the different departments are keeping the Time Books and Piece Books, the details of which the book-keeper knows nothing. A day or two before pay-day these books will be handed in for the purpose of getting the Pay Roll ready.

Advanced John Cooper 10.00 in cash on acct. (*Daily C. B. B. Labor acct.*)

Received account sales from G. P. Gunning & Co. for the goods consigned them on the 2d inst. Our net proceeds 8975.60, remitted per draft on New York. (*Daily C. B. B. Shipment to Gunning & Co. to balance acct. Loss & Gain for balance when entered in Main Cash Book.*)

Deposited the draft received from G. P. Gunning & Co.

In transactions like the above where a consignment is the exception rather than the rule in a business, the account is never entered in the General Ledger. When an account sales is received the account is credited for an amount that will balance the account, and if the net proceeds are more than the account, then Loss & Gain is credited for the balance; but if less a contra entry would be made and Loss & Gain would be debited from the Cash Book.

Another way would be, where it is desirable to have the account show the exact transaction, to debit Shipment to Gunning & Co. in the Sales Book "for balance on sale," extending same into the Bills Rendered column, or, if a loss, to credit them in the Sales Book "for amt. short on sale," and extend the credit into the column headed "Goods Returned." In this way the exact net sales at the end of the month would be correctly stated.

Paid Seavey & Bowman, per check, for invoice, 3d inst., 137.50, less 2%, as per terms of credit.

Paid off, per check, the amount due on pay roll for September, 3152.50. (*C. B. Labor acct. For this amount see the balance due on pay roll as brought down in the Mdse. acct., page 196. In C. B. say in explanatory, following Labor acct., "Sept. Pay Roll."*)

By referring to the illustrated Mdse. account on page 196, it will be seen that it has been debited with the pay roll "by inventory," and the amount is brought down as a liability upon the credit side, because of its being unpaid. The entry was necessary to arrive at the total actual cost of Mdse., but the amount brought down could have been credited to "Pay Roll Payable," as it is sometimes done, the same as in interest inventories where credit is given to "Interest Payable" instead of bringing the amount down in the Interest account. The above payment is charged to Labor account, and at the end of the year transferred to Mdse. account, but the amount could be debited direct to Mdse., and this is sometimes done in transactions of this kind, as the amount is more easily traced.

Close Daily Cash Book and copy into Main Cash Book. Amount of cash in safe per daily balance, 396.33.

OCTOBER 5, 189–.

The petty expenses per Expense Book are 38.75. (*Enter in Daily C. B. B.*)

Petty expenses are sometimes entered in a small book called an Expense Book, which is kept in the cash drawer or in the safe; and when the cash is made up the entries in the Expense Book are counted with the cash on hand. For example, if there be found in the cash drawer currency, checks, drafts and other cash items aggregating 180.50, and items in the Expense Book, 19.50, not yet entered in Cash Book, the cash on hand would be determined to be 200.00. At stated times, usually once each week, the Expense Book is footed and the amount is then entered in the Daily Cash Balance Book "Expenses per Expense Book."

Received from Superintendent of mill bill for dressing skins, 2812.59. (*Journal — "Mdse. acct. To Mill acct."*)

Mdse. account is debited because the raw material which stands charged to Mdse. acct. has been made to cost more by just the cost of dressing into glove leather. For example, if a bale of skins, undressed, and invoiced at 28.00 cost 52.00 for dressing into leather it is evident that the leather has cost 80.00; therefore the cost of dressing should be charged to Mdse. acct.

While the work done at the mill is a part of the business, an account is kept with the mill for the purpose of determining if the running of a mill to dress the raw material will prove a paying investment. The skins which were bought undressed, were sent to the mill and there dressed and tanned into glove leather. The regular prices per hundred are allowed and the amount of work done is credited to the mill at the end of the month. The pay roll, chemicals, coal and all supplies are charged to the mill, and the difference between the debits and credits will show a net loss or a net gain. Bear in mind that the current account with the mill and the machinery, building and grounds, are separate and distinct.

MEMORANDA OF TRANSACTIONS FOR OCTOBER (Continued).

The first is for the purpose explained above, and is represented in Mill acct. The second is found in the acct. with the Machinery and Real Estate. At the end of the month the superintendent of the mill will render in detail his pay roll for the month. In business, this would be entered in the pay roll book, but in this set no detail will be made and the student will debit Mill acct. in the Cash Book.

Bought on account of Norman P. Bradley & Co., 30 days net, 2% 10 days, 215 doz. Imported Kid Skins, @ 11.20 per doz.

Bought of E. M. Moore & Co., per check, invoice Buttons, 15.00. (*C. B. Button acct. Do not enter in Accts. Pay. Book.*)

In business the invoice would be marked "Paid Oct. 5th by check No. —," and filed in a Cash Bill file.

Paid cash, for postage, 2.00; for stationery, 4.20. (*Daily C. B. B.*)

Paid cash, for repairing gas pipes, 3.75; water pipes, 2.75; fixtures, 8.50.

Bought on account, 30 days net, Boice Bros., invoice Boxes and Cases, 41.50.

Received cash from Superintendent of mill, for job work done at the mill, 75.85. (*Daily C. B. B. Mill acct.*)

Paid cash for 2 tons coal for office use, 13.00. (*Daily C. B. B.*)

Close Daily Cash Balance Book as usual. Amount of cash in safe, 399.23.

OCTOBER 15, 189–.

Paid cash, for cleaning office and salesroom, 10.50; for daily papers, 1.50. (*Daily C. B. B.*)

Paid, per check, the following bills, as per Accounts Payable Book: Norman P. Bradley & Co., invoice Oct. 5th, 2408.00, less 2%.

Brown, Joice & Co., invoice Oct. 1st, 1388.25, less $\frac{1}{2}$% by special rate allowed as per correspondence. (*Enter in Accts. Payable column of C. B., extending proper amounts in "Contra Discount," "Net Cash," and "Memorandum Bank" columns.*)

Received cash on account, as follows: Burnham & Wood, for invoices Oct. 2d and 4th, less 6% discount. Lincoln & Co., invoices Oct. 2d and 4th, less 6% discount. Wells, Munger & Co., invoices Oct. 2d and 4th, less 6% discount. (*Enter in D. C. B., extending the proper amounts.*)

Deposited all cash on hand, except 500.00 for current expenses.

Following are the sales since the 5th inst. Terms regular:

8th. Wells, Munger & Co., 10 doz. 625, 10 doz. 708.

12th. Lincoln & Co., 10 doz. 715, 10 doz. 625, 10 doz. 430.

14th. The Mott-Jones Hat Co., Denver, 5 doz. 625. (*No entry in O. B. necessary for this order, as it was filled the same day it came.*)

M. G. Cooper & Co., Minneapolis, Minn., $\frac{1}{12}$ doz. each of all kinds as per price list. (*Enter in Petty Personal Accts.*)

To rapidly calculate a sample bill in $\frac{1}{12}$ dozens, which comes up every day in the Manufacturing and Jobbing business, observe the following short rule: Consider the price per dozen as the price of each and divide the sum by 12.

Close the Daily Cash Balance and copy into Main Cash Book. Balance cash on hand, 500.00.

OCTOBER 31, 189–.

Following are the sales for the past two weeks, which were filled at the time of ordering, on terms regular:

16th. E. W. Woodward, Sons & Co., Omaha, Neb., per M. D., 15 doz. 715, 15 doz. 710, 15 doz. 708, 25 doz. 705, 3 doz. 625.

17th. Janis, Smith & Co., St. Paul, Minn., 25 doz. 705, 10 doz. 452, 10 doz. 451, 10 doz. 440.

18th. The Mott-Jones Hat Co., Denver, Col., 5 doz. 435, 5 doz. 425, 5 doz. 416, 5 doz. 415.

19th. Mandall, Sons & Co., Dallas, Texas, 25 doz. 600, 10 doz. 605, 10 doz. 610. Shipped per Mallory Line from New York.

MEMORANDA OF TRANSACTIONS FOR OCTOBER (Continued).

(*Enter above in the Shipping-Sales Book. Observe the form illustrated and carry out prices as per Price List. Post the accounts of Woodward, Janis, and Cooper into Petty Personal accounts in Sales Ledger.*)

The following order has been received: Wells, Munger & Co., to be shipped Nov. 5th, 25 doz. 705, 100 doz. 452. Sent sample dozens per Express. (*Enter order in O. B., and charge sample dozens in Sales B., deducting same from order.*)

You will now proceed to make out the pay roll for the month from the books of the different foremen. The large number of people employed up to Sept. 30th, the end of the fiscal year, were laid off, as is the usual custom while inventorying. The pay roll for this month is therefore small owing to the fact that but few of the employees have resumed work.

The Pay Roll shows the following: (*See illustration, page 194. In opening your pay roll give the name of foreman and the name of each department which you will find in the illustrated Pay Roll Book, page 194.*)

Book "A:" Miss Green, forewoman; Mary Winnie, 32.25; Nancy Martin, 28.50; Carrie Stone, 26.50.

Book "B:" Mary Fish, 32.00; Ellen Allen, 28.75; Jennie Martin, 29.60; Carrie Anderson, 29.40; Blanche Goddard, 26.30; Mamie Beach, 16.75.

Book "C:" Tom Wilson, 52.00; H. W. Kennedy, 68.00; Warren Ford, 72.00; L. M. Cook, 48.00.

Book "D:" John Cooper, 62.50 (see entry of 10.00 paid on the 4th); W. W. Egan, 55.00.

Job Book: (Goods made outside at less price): Mrs. Moore, 18.40; Mrs. Ellen Townsend, 29.60; M. L. Beemis, 28.25; George Camp, 62.28; Mrs. Mary C. Traine, 42.18; Nancy Cook, 29.32; Ned Banks, 26.68; Julia Moodey, 22.09; Ellen Todd, 21.50; Minnie Smith, 17.50; Nellie Graham, 15.00; E. M. Ensign, 39.25; Tom Cooper, 18.75; Laura Angell, 63.00; James Parker, 69.00; Nathan Warnick, 45.50; M. W. Rooper, 29.50. (*The above to be copied but not paid.*)

Sent 1512.80 per check to the Supt. of the mill for monthly pay roll. (*C. B. Mill acct. Enter in General column.*)

The following dozens of goods have been brought from the factory to the store-room during the month, all boxed, labeled, numbered and ready for shipment: $715-105^1$; $710-40^1$; $625-140^1$; $708-87^1$; $430-45^1$; $705-61^1$; $452-21^1$; $451-10^1$; $440-30^1$; $435-10^1$; $416-5^1$; $415-10^1$; $600-25^1$; $605-10^1$; $610-10^1$; $425-5^1$.

The index in above inventory recorded thus 105^1, etc., means in each case $\frac{1}{12}$.

(*Open a Stock Book in one of your blank books after the plan of the Stock Book in the Coal Set. At the end of each month add to the balance on hand the number of dozens made during the month and deduct from the total to be accounted for each month the number of dozens sold as per net sales shown in the Sales Book. Prove balance on hand by the Inventory given below.*)

Paid per check our note due to-day, 2000.00.

Paid cash for renovating carpets, 4.00; for putting down carpets, 2.00. (*Daily C. B. B.*)

Paid freight bill to date, per check, 75.85. (*M. C. B. Freight & Drayage.*)

Paid the following salaries to date, in cash: Book-keeper, 80.00; H. Winder, salesman, 100.00; Harry Coleman, shipping clerk, 40.00. (*C. B. Salary acct.*)

Paid, per check, balance due on Pay Roll Book, less amount advanced to Cooper.

You will now post the footings of the Sales Book, Accounts Payable Book and the Cash Book. Foot the Accounts Payable Book and summarize a debit as follows:

Rebate acct. Per inv. No. 6	69.41	
Silk and Thread. Per inv. Nos. 1 and 2	287.50	
Bands, Boxes, & Cases. Per inv. Nos. 3 and 5	75.00	
Mdse. Inv. 6 and 4 (less rebate)	3726.84	
To Accts. Pay. Total Purchases		4158.75

MEMORANDA OF TRANSACTIONS FOR OCTOBER (Continued).

This book contains all of the bills bought on time which are entered by consecutive numbers. The aggregate debit to each account may be determined upon a tablet and then each debit item explained by its consecutive bill number following the charge to any particular account.

Strike a balance in the Main Cash Book after you prove that the balance found is the correct one, which proof is the sum of the bank balance and the Daily Cash balance.

In closing the Sales Book care should be observed in adding the number of dozens sold during the month. Do not include the dozens returned. Enter the net dozens sold in the Mdse. acct. as per illustration, page 196.

The following are the inventories:

Silk and Thread on hand		212.00
Mdse. Skins undressed and in process of tanning	2144.97	
Gloves made up: 5 doz. 715, 10 doz. 705, 5 doz. 415, 10 doz. 430, 5 doz. 435, 10 doz. 452, 20 doz. 440	968.95	3113.92
Traveling Expenses, unexpended		24.34
Real Estate, estimated		45000.00
Machinery, estimated		27000.00
Furniture, 10% less than cost		

After crediting each account inventoried with the goods on hand in red ink close the debit balance of the following accounts into Mdse. acct. (*see illustration, page* 196): Freight & Cartage, Bands, Boxes & Cases, Silk and Thread, Buttons, Labor, Salary, Manufacturing Expense, and Traveling Expenses. After these accounts are transferred, take off a second trial balance and then close the Ledger. The Net Gain is 3720.47, which close into the proprietor's private account.

The memoranda for the month of November following is a continuation of that of the manufacturing business just finished. The current condition of the business remains unchanged, and the business record is kept in the same set of books. The management of the business, however, for the coming month, is in the hands of an unincorporated Joint Stock Company, known as the Dan'l Dunning Glove Co. Before commencing the work of the memoranda, the student should master the introductory explanations and directions. No new books are to be opened, but the record for November is to be made in the books used by the student for the October memoranda.

JOINT STOCK COMPANIES.

Joint Stock Companies [1] are associations for the transaction of business and are intermediate between Corporations known to the common law and ordinary partnership, and partake of the nature of both. [2] They are not partnerships, for their members are organized as an aggregate body; nor are they pure Corporations for their members are each more or less liable for all of the debts of the company. [3] The main advantages of Stock Companies over pure partnerships are that a stockholder can sell or assign his interest in the business without working a dissolution of the business, and that a larger number of persons can associate together in a practical way, the business being conducted by a managing board. [4] When incorporated a Joint Stock Company is known as a Corporation and receives from the State its charter and seal. [5] Its joint stock is divided into a large number of shares and being at law "a person which exists in contemplation of law only, and not physically," the shareholders are not individually liable in their private capacity for the acts or contracts of the officers or members. [6] But when unincorporated they are known as Joint Stock Companies, and of them it has been claimed that while they were created to obviate the consequences of an ordinary partnership, yet in absence of any special law they are partnerships, and in general governed by the same rules; that, although the stock is divided into shares transferable by delivery and the business conducted by a board of directors, yet a stipulation in their articles limiting the responsibility of the members to the joint fund will not operate to prevent the general liability of each of the members for all of the debts of the company.

[7] There are no statutory regulations governing Stock Companies in any of the States of the Union except New York. [8] In each of the States, except New York, therefore, they are merely partnerships and are in general subject to all the rules governing that branch of law. [9] However, as many of the Joint Stock Companies of New York do business in most of the other States, the New York statute law has more than a local application, a brief synopsis of which is given herewith. [10] In 1849 an Act was passed giving certain special privileges to *unincorporated* Joint Stock Companies. In 1854 the Act was further amended. [11] In their articles of association it may be lawful for Joint Stock Companies to agree that the death of a stockholder or the assignment of his stock shall work no dissolution; nor shall the company be dissolved except by judgment of a court for fraud in its management, or in pursuance of its articles of association. In 1885 record evidence was provided for in which Joint Stock Companies are required to file with the Secretary of State and with the clerk of the county in which said business is located, certificates in duplicate in the month of January of each year, said certificates to be in writing, sworn to and signed by the president and treasurer of the company enumerating all the certain facts pertaining to the articles of association and to the organization. The certificates so filed, the records thereof and copies of the record shall be presumptive evidence in any court of the truth of all the facts therein stated. [12] They can by their articles devolve upon any three members the sole management of their business. [13] Upon the consent in writing of three-fourths of the members the capital stock may be reduced to a sum not less than the actual called in capital stock, provided the unexpended cash in the treasury is sufficient to pay off the outstanding liabilities. [14] Whenever the stock is less than one hundred thousand dollars the number of directors may be reduced to not less than seven members.

[15] The New York Statutes above referred to may be summarized as follows: Joint Stock Companies, like corporations, can sue and be sued in a single or collective manner, to wit: the name of their president or treasurer. [16] Their property or capital is represented in shares and certificates of stock differing in no respect from shares and stock certificates in corporations. [17] The death of a member, his insolvency, or the sale or transfer of his interests is not a dissolution of the company. [18] They can take and hold real and personal estate in a collective capacity and in perpetual succession. They have perpetual succession or what is sometimes called the "immortality of corporations." But [19] the immortality of corporations means only its capacity to take in perpetual succession so long as the corporation exists. [20] On the other hand Joint Stock Companies have no right to use a common seal, and unless specially regulated by statute are personally liable for the debts of the association the same as in partnerships.

SUBSCRIPTION LIST AND INSTALLMENT BOOK COMBINED,

of The Dan'l Dunning Glove Co. Capital Stock, $150,000.00, divided into Fifteen Hundred Shares of $100.00 each, payable in four installments.

SUBSCRIBED.				PAID. INSTALLMENTS OF 25 PER CENT. EACH.												
DATE.	NO. SHAR'S	VAL. OF SHAR'S.	SIGNATURE.	CERTIFICATE NO.	FIRST INSTALLMENT.		SECOND INSTALLMENT.		THIRD INSTALLMENT.		FOURTH INSTALLMENT.		IN WHAT PAID.
					DATE.	AMT.	DATE.	AMT.	DATE.	AMT.	DATE.	AMT.	
189–. Nov. 1	1200	120000 00	Dan'l Dunning.	1	189–. Nov. 2	30000 00	Nov. 2	30000 00	Nov. 2	30000 00	Nov. 2	30000 00	Sundries.
	10	1000 00	M. L. Ensign.	2		250 00							Cash.
	50	5000 00	E. L. Graves,	3		1250 00							Cash and note.
	200	20000 00	M. Stover,	4		5000 00							Cash and note.

[21] By many leading business men and political economists of the present day it is thought that unincorporated Joint Stock Companies are more desirable than Corporations for carrying on ordinary mercantile or manufacturing business. [22] Joint Stock Companies more often partake of the nature of coöperative societies for the equitable distribution of profits, while [23] Corporations are usually considered as organizations of capital into monopolies. [24] It is certainly true that as the members of Stock Companies are liable, like the members of a partnership, for the debts of the company, an unincorporated Joint Stock Company can go into the market and command a greater credit than can an organized Corporation whose members are liable only to the extent of their paid-in capital stock.

[25] In view of this, the work in this set has been confined to unincorporated Joint Stock Companies, as they are regulated by statutory provisions in the State of New York. [26] The books of the treasurer (which are the books in the business department and are kept by the book-keeper), are the same in detail and scope as in the counting-room of a Corporation or of a Limited Stock Company.

Object of the Set.—[27] The prime object of the present set is to indicate the method of changing the books of an individual or a partnership business to those of a Joint Stock Company, and that without discarding the old set of books; and in doing this both the method of opening a set of books for a Joint Stock Company and its continuous record will necessarily follow, with full explanations, as a secondary object.

[28] In this country, where the manufacturing business has been fostered to such an extent by the general government, and where the reputation and trade of a business which has been built up is being more and more recognized as representing in itself a positive, tangible value, known at law as "good will," Joint Stock Companies and Corporations are rapidly increasing in the manufacturing business.

[29] In discussing the method of keeping the records of Joint Stock Companies, no reference is made to those organizations which are formed upon paper and without capital; nor to the method of keeping fictitious accounts based upon inflated values, called the "watering of stock." [30] The set has to do entirely with legitimate business, and the plan of the work is to record the actual business transactions of Joint Stock Companies, based upon the maxim that "a business transaction is an exchange of values."

Books Required.—[31] The books required by the secretary to keep the official records of a Joint Stock Company, are: Minute Book, Subscription Book, Stock Certificate Book, Transfer Book, Installment Book, Stock Ledger and Dividend Book. [32] In these books are to be entered a record of the proceedings of the board of directors, and also a record of the official acts of the officers. [33] Of these records the secretary is the custodian, and for their safe keeping the board holds him responsible. [34] The financial agent of the company is the treasurer, who has full charge of the finances of the company, and who is usually made responsible by being required to give an indemnifying bond. [35] He is custodian of all stock for sale, and has full charge of the counting-room work. [36] Under him the book-keeper acts in a clerical capacity.

[37] **The Minute Book** is the book in which a record of the proceedings of all meetings of the stockholders and directors is kept. [38] The record is kept and signed by the secretary and it is also signed by the president. [39] The value of this book cannot be overestimated, as it is often required to be produced in court in cases of litigation; and by the records therein compiled the officers of the company are to find

(BACK OF CERTIFICATE.)

For value received, I hereby assign and transfer to *E. L. Graves, 50* shares of the CAPITAL STOCK represented by the within *Certificate*, and do hereby constitute and appoint *David Beemis* Attorney to transfer the said stock on the books of the within-named Company, with full power of substitution in the premises.

Dan'l Hunning.

DATE, *May 5, 1890.*

Signed in the presence of

Martin Jones.

PERFORATED LINE.

STOCK CERTIFICATE BOOK AND

CERTIFICATE No. 1.

(BACK OF CERTIFICATE STUB.)

DATE.		NO. SH'RS ISSUED.	NO. SH'RS TRANSF'D.	BALANCE HELD.	EXPLANATION,	PAID ON DIVIDENDS.	PAR VAL.
189–. Nov.	1	200			At par.		20000 00
	2	1000			" "		100000 00
May	1				Cash on Div. # 1. Pd.	7000 00	
May	1					1400 00	
	5		50		Transferred to E. L. Graves.		
May	5			1150			

the necessary authority from the board of directors for their official acts and by which their administration may be vindicated. [40] This book should, at all times, be in the possession of the secretary of the company. [41] With the Minute Book and the other official records the book-keeper has nothing to do, except upon information furnished by the secretary, which information is furnished in memorandum.

[42] **The Subscription Book** is the financial basis of all Stock Companies. [43] In it each person who desires to become a stockholder in the company, when organized, subscribes for the number of shares that he wishes, and by signing his name he becomes personally pledged to the company for the full, actual value of the stock for which he subscribes, and the written promise thus made becomes a resource to the company. [44] This book is usually headed with the name of the company (which name should commence with the word "The" and end with the word "Company"), the nominal amount of capital stock, the number of shares into which the capital stock is divided, the nominal cost per share, the per cent. of assessment, and such other information as may be peculiar to the organization.

[45] From the information furnished in this book by the secretary, the book-keeper enters a history of the subscription in his Journal and makes a Journal entry as follows: "Subscription to Capital Stock." [46] The amount of capital stock represents the nominal capital of the company and the account of Subscription is a resource and sustains the same relation to the business as the accounts of Bills Rec. and Accts. Rec., which are aggregate accounts of individual promises to pay, the details of which may be found in the Bill Book and the Sales Ledger.

[47] **The Stock Certificate Book** is a bound book of blanks with stubs (*see illustrated Stock Certificate Book, page 208*). [48] The capital stock of a company is divided into shares, which are simply equal component parts of the whole capital. [49] The stock certificate certifies that the holder is entitled to a certain number of shares of the capital stock of the company, and that they are transferable either in

STOCK LEDGER COMBINED.

DANIEL DUNNING.

(FACE OF CERTIFICATE STUB.)

DATE.		PER. CT. ASSESSED.	EXPLANATION.	NO.	R'TE	DIVID'DS.	AMT. PD.
189-.							
Nov.	1		Cash.				20000 00
	2		Sundries.				100000 00
May	1	7%	Dividend.	1	7%	7000 00	
May	1	14%	Dividend.	1	7%	1400 00	

PERFORATED LINE.

No. 1. Shares, 200.

The Daniel Dunning Glove Company.

This is to Certify, That Daniel Dunning is entitled to Two Hundred (200) Shares of the Capital Stock of The Daniel Dunning Glove Company, transferable in person, or by attorney, on the books of said Company only upon the surrender of this Certificate.

In Witness Whereof, the said Company has caused this Certificate to be signed by its President and Treasurer.

Date, Nov. 1, 189-.

M. L. Ensign, Treasurer. Daniel Dunning, President.

person, or by attorney, on the books of the company, but only upon the surrender of the old certificate. [50] The certificates are numbered consecutively and are signed by the president and treasurer. [51] From the stubs, which are filled out by the secretary before the certificates are torn out, the book-keeper records the history in his Journal, and then makes the Journal entry, "Installments to Subscription."

[52] **The Transfer Book** is a book in which are recorded all transfers of stock made by a stockholder to other parties. [53] The transfers thus recorded (*see illustration, page 210*) are signed by the parties transferring the stock, or by their attorneys. [54] This transfer is also endorsed upon the back of the certificate, as per illustration, page 208.

[55] **The Installment Book** is a book showing when each installment is due, the amount to come due, and when and how paid.

[56] **The Stock Ledger** is a book ruled in convenient form to represent each stockholder's relation to the capital stock. [57] Primarily the number of shares only were entered in the account with shareholders in the Stock Ledger, and the whole number of shares were entered in Capital Stock account in the same ledger. [58] But the custom has obtained with many Stock Companies interested in the manufacturing business, or in any business where a fixed value is considered for the stock, to debit the account with the numbers of shares issued and also with their value, and to credit the account with the installments or assessments, in whole or in part, as payments are made.

[59] **The Dividend Book** is a book compiled by the secretary based upon information contained in the balance sheet of the financial department, which is furnished by the book-keeper. [60] The book contains a detail of the separate amounts to be divided among the stockholders of the company. [61] These amounts are based upon the number of shares, at their *par value*, held by each shareholder. [62] The dividend is a

TRANSFER BOOK. The Dan'l Dunning Glove Co.

No. *1.*

FOR VALUE RECEIVED, *I* HEREBY ASSIGN AND TRANSFER UNTO *E. L. Graves* ALL *my* RIGHT, TITLE AND INTEREST IN *Fifty* SHARES OF THE CAPITAL STOCK OF The Dan'l Dunning Glove Company, NOW STANDING ON THE BOOKS OF THE COMPANY IN *my* NAME.

David Beemis,
Attorney for Dan'l Dunning.

DATED THIS *5th* DAY OF *May,* 18*9*–.

No. CERTIFICATE SURRENDERED, *No. 1.*

No. CERTIFICATE ISSUED, *No. 4.*

No.

DIVIDEND BOOK

Dividend No. 1 of The Dan'l Dunning Glove Co., May 1, 189–, of 7 per cent.

DATE.	SHAREHOLDER.	CERTIFICATE.	NO. OF SHARES.	PAR VAL. OF SHARES.	AMT. OF DIVIDEND.	WHEN PAID.	SIGNATURE FOR PAYMENT.
189–. May 1	Dan'l Dunning.	1	1200	120000 00	8400 00	May 1	Dan'l Dunning.
	M. L. Ensign,	2	10	1000 00	70 00		
	E. L. Graves,	3	50	5000 00	350 00	May 5	E. L. Graves.
	M. Stover,	4	200	20000 00	1400 00	6	M. Stover.

certain per cent. computed upon the capital stock and is determined by finding what per cent. the net gain of the business is of the whole capital invested. [63]This dividend is ordered to be paid by the board of directors at a regular meeting, and the rate of dividend should always be based upon the amount of the net gain as exhibited in the balance sheet. [64]When the dividends are declared and the record is compiled by the secretary, the book-keeper makes the following entry in his Journal: Loss and Gain to Dividend. As each shareholder is given a check signed by the treasurer, he is required to receipt the Dividend Book (*as per illustration, page 210*), and the book-keeper charges the total amount of checks drawn to Dividend account in one amount in the Cash Book.

[65]**Books Special to this Set.**—The books enumerated above are described as they are used when bound separately. The books special to this set are: Subscription Book and Installment Book combined, and Stock Certificate Book and Stock Ledger combined.

[66]**The Subscription and Installment Book** (*see illustration, page 207*) is based upon labor-saving principles by combining two books into one, thereby saving much detail both in writing names and in making transfers.

[67]**The Stock Certificate Book and Stock Ledger** combined, is bound in stub form as per illustration, page 209. [68]The value of a certificate is determined, not by any value fixed upon a certifi-

cate as such, but by the number of shares certified to in the certificate. [69] The certificate is usually filled out for the whole number of shares subscribed, although the subscriber may have several certificates which together would aggregate the number of shares subscribed; or, the subscriber may surrender an old certificate in exchange for two or more new ones,—the new ones aggregating in the number of shares the same as the old one surrendered. [70]The certificate is filled out by the secretary (the stub being filled out before), and it is then signed by the treasurer and president. By examining the illustration on page 209, it will be seen that the stub is combined with a Stock Ledger, and by it can be determined the number of shares issued to a stockholder, the aggregate value of same, the installments paid, and the balance, if any, that remains to be paid. Also in this record is kept an account with dividends declared and the payments made thereon.

The record of the proceedings of a Stock Company, or Corporation, is often confounded with the business record. The first record is made by the Secretary in a journal of the proceedings called a Minute Book. The second record, that of the business department, is kept by the book-keeper in a set of books, and the two are separate and distinct from each other.

But as a matter of history, and too, as a reason for a change in the nature of some of the accounts, an abstract of the Minute Book of The Dan'l Dunning Glove Company, organized from the individual business in the last set into an unincorporated Joint Stock Company, is herewith submitted.

MINUTE BOOK.

GLOVE CITY, N. Y., Oct. 31st, 189–.

At a meeting of business men held at the office of Dan'l Dunning, Manufacturer of Gloves and Mittens, on the 31st day of Oct., 189–, there were present, Dan'l Dunning, M. L. Ensign, E. L. Graves, Mark W. Stover, James T. Allen, Erastus Green, Myron Griffis, Peter G. Turner and Frank W. Ladd. Mr. Dunning called the meeting to order, and submitted a proposition to form a Stock Company for the manufacture of Gloves and Mittens, and to sell to said Company his business and resources, said Company to assume and pay-off all liabilities as per his October Balance Sheet, which he submitted. Based upon the real capital as represented in the Statement presented, he claimed that the gain for a period of 1 year is equivalent to a dividend of 10 per cent. on a capital stock of one hundred and fifty thousand dollars, and a reserve fund of 2 per cent. He proposed that in organizing a Stock Company that it should be organized under the laws of the state governing unincorporated Joint Stock Companies, for the reason that a better credit could be maintained in the market than under an incorporated company. That a capital stock of one hundred and fifty thousand dollars should be organized and divided into 1500 shares, at the par value of one hundred dollars each, he reserving the right to purchase a majority of said stock. On motion of M. L. Ensign, a temporary organization was effected, with Dan'l Dunning as chairman and E. L. Graves as clerk. On motion of Mr. Stover, Mr. Dunning was requested to furnish for their consideration, at an adjourned meeting, a detailed inventory of his resources based upon a cash standard, his price for the good-will of his business, and a detail of all liabilities; and for the clerk to provide a Subscription Book, to be ready at the next meeting. Adjourned to Nov. 1st, at 9 A. M.

DAN'L DUNNING,
Chairman.

E. L. GRAVES, *Clerk.*

Nov. 1st, 189–.

Meeting called to order pursuant to adjournment, with Dan'l Dunning, M. L. Ensign, E. L. Graves, Mark Stover and Erastus Green present. Mr. Dunning in the chair. The detailed statement requested to be furnished by Mr. Dunning was filed as follows:

RESOURCES.		LIABILITIES.	
Accounts Rec., per Schedule "A."	3196.75	Accounts Payable, per Schedule "H,"	75.00
Real Estate, per Schedule "B."	45000.00	Bills Payable, per Schedule "I,"	9000.00
Machinery, per Schedule "C."	27000.00		
Merchandise, per Schedule "D."	3113.92	Outside liabilities,	9075.00
Furniture, per Schedule "E."	457.20	Dan'l Dunning, Priv.,	3660.47
Rebate, per Schedule "F."	895.91	Stock — Investment,	75356.33
Silk and Thread, per Schedule "G,"	212.00		
Traveling Expenses, unexpended,	24.34		
Cash, on hand,	8191.68		
Total resources,	88091.80	Total,	88091.80

Accompanying the statement was a written proposition to sell the plant and good-will for one hundred and fifty thousand dollars, he turning over to the company the total resources and liabilities as above scheduled, together with the good-will of the business forever, which is valued at 75,000, or exactly, a value of 74,643.67 on the good-will. It was further proposed to issue paid-up shares at the par value of 100.00 per share, and that for the sale of 150,000.00 there should be paid therefor 1,200 shares of stock at par, and the balance in cash.

On motion of E. L. Graves the report was received and filed. The following resolution was then introduced by M. L. Ensign and unanimously adopted:

Resolution—by Mr. Ensign:

"*Resolved*, That it is the sense of this meeting that an unincorporated Joint Stock Company be organized for the manufacture and sale of Gloves and Mittens, in Glove City, N. Y., to be known as the Dan'l Dunning Glove Company; that the proposition made by Dan'l Dunning, and on file, dated Oct. 31, 189–, be accepted, and that the chair appoint a committee of three, to act with himself, to take such steps as may be necessary under the laws of the State of New York governing unincorporated Joint Stock Companies for the purpose of organizing; and to open a book for the subscription of stock."

The chair appointed M. L. Ensign, E. L. Graves and Mark Stover as said Committee to act with himself, with instructions to report on an evening meeting of that date. Adjourned to 8 o'clock P. M.

DAN'L DUNNING,
Chairman.

E. L. GRAVES, *Clerk.*

Thus far the proceedings of the business men recorded in the above Minute Book are preliminary and in no way binding upon those present. The record simply represents the manner of organizing in a deliberative and business-like way. If, however, an organization be effected subsequently the minutes of the preliminary meeting will form a part of the whole, and as such are valuable and must be spread upon the records.

Nov. 1st, 189–.

At an adjourned meeting of the business men held at the office of Daniel Dunning for the purpose of organizing a Joint Stock Company for the manufacture of gloves and mittens, there were present Daniel Dunning, E. L. Graves, M. L. Ensign, Mark Stover, James T. Allen, Erastus Green, Myron Griffis and Frank T. Ladd. The meeting was called to order by the chair and the following report was introduced by Mr. Ensign and read by the clerk:

"Gentlemen:—We, your committee appointed to take such steps as were found necessary to organize an unincorporated Joint Stock Company under the laws of the State of New York for the manufacture and sale of gloves and mittens, beg to report as follows: Your committee, through an attorney employed for the purpose, has prepared the necessary preliminary papers, which, as soon as the stock is subscribed and the officers are elected, must be certified to by the treasurer and president in duplicate, one to be filed with the Secretary of State and one to be filed with the Clerk of this county, all of which is in pursuance of the statutes made and provided, regulating the organization of unincorporated Joint Stock Companies in the State of New York, the certificates of which are hereunto attached. Your committee would therefore recommend that the Stock Book be opened and as soon as the necessary amount of stock has been subscribed and the articles of association are entered into that an election of a board of directors and officers shall take place.

M. L. ENSIGN,
E. L. GRAVES,
MARK STOVER,
DAN'L. DUNNING,
} *Committee.*

Nov. 1st, 189–.

The report was received and ordered to be spread upon the records and the committee was discharged.

Upon inquiry the clerk reported that the Stock Book had been opened and that the full amount of stock had been subscribed as follows: Daniel Dunning, 1200 shares; E. L. Graves, 50 shares; Mark Stover, 200 shares; M. L. Ensign, 10 shares; Jas. T. Allen, 10 shares; Erastus Green, 10 shares; Myron Griffis, 10 shares; Frank T. Ladd, 10 shares.

On motion of M. L. Ensign articles of association were entered into. (*See Appendix for these articles.*) After the articles were entered into the following officers were elected: President of the board of directors, Dan'l Dunning; treasurer, M. L. Ensign; secretary, E. L. Graves; directors, Dan'l. Dunning, Mark Stover, E. L. Graves, M. L. Ensign, James T. Allen, Erastus Green and Frank T. Ladd.

On motion of Mr. Stover the secretary and treasurer were instructed to receive the transfer of the accounts, good will, books and papers from Daniel Dunning for and in the name of the company, and to report at the next meeting.

The chair ordered the clerk to file with the Secretary of State and with the Clerk of the county the preliminary papers as per report of the committee and to have such evidence of record ready at the next meeting of the directors.

The secretary was instructed to order the necessary books and blanks for the directors.

On motion of Mark Stover the following officers of the business department were elected by the directors for one year: Daniel Dunning, superintendent, at a salary of 1800.00; M. L. Ensign, treasurer and financial agent, at a salary of 1600.00 per year.

On motion of Mr. Ensign it was ordered that the business record of the company be continued in the old books of Daniel Dunning, and that the treasurer have the book-keeper furnished with the proper information from the Minute Book necessary to change the books from a single proprietorship to those of the Joint Stock Company, and to furnish the directors at their next meeting a trial balance of the ledger immediately after such change has been made in the books.

Adjourned to 2d inst. at 2 P. M.

E. L. GRAVES,
Secretary.

DANIEL DUNNING,
President.

CHANGING FROM A PROPRIETORSHIP TO A JOINT STOCK COMPANY.

MEMORANDA OF TRANSACTIONS FOR NOVEMBER.

NOVEMBER 1, 189–.

The Daniel Dunning Glove Co. has been organized this day as a Joint Stock Company for the manufacture of gloves and mittens. Daniel Dunning has transferred to the company his entire business for the consideration of 150,000.00, and by this record now made and the accompanying entries the individual books of Daniel Dunning become in name and in fact the books and records of the Daniel Dunning Glove Co., the subsequent record of which is to be continued in the old books.

The conditions of the sale and transfer are as follows: Based upon a capital stock of 150,000.00, all of which has been subscribed, Mr. Dunning has transferred all his right, title and interest in his glove and mitten manufacturing business to the new company for the sum of 150,000.00, he to receive therefor 1200 paid up shares of the capital stock at 100.00 per share, and the balance of 30,000.00 in cash. His interest in the old business, as represented by his Investment acct., is 75,356.33. The good will which he transfers he values at 74,643.67, which totals the consideration of 150,000.00.

A receipted bill of sale has been executed for all goods, chattels and accounts; and upon which said bill of sale there are credited the liabilities of Daniel Dunning as assumed by the new company. Mr. Dunning has also deeded to the directors as trustees for the company the real estate as scheduled in the Balance Sheet, and has transferred to the company the balance of the bank account by a check signed by himself payable to M. L. Ensign, treasurer. (*Copy above in your Journal between the date line on the left and the first money column on the right. Drop a line after completing the above and then make the following entries:*)

"Subscription acct., 150,000.00; To Capital Stock, 150,000.00. The following stock has been subscribed as per Stock Subscription Book, folio 1: Daniel Dunning, 1200 shares; Mark Stover, 200 shares; E. L. Graves, 50 shares; Frank T. Ladd, 10 shares; Erastus Green, 10 shares; James T. Allen, 10 shares; Myron Griffis, 10 shares; M. L. Ensign, 10 shares — 1500 shares." "Daniel Dunning, Investment acct., 75,356.33. Good Will, 74,643.67. To Daniel Dunning, Private, 150,000.00. — For his interest in the business as per bill of sale on file, which amount is now due him in private acct." "Dan'l Dunning, Priv., 120,000.00; To Subscription, 120,000.00. Paid Daniel Dunning on acct. of transfer, by 1200 shares in Capital Stock, as per Certificate of Stock No. 1, delivered."

The above opening history and the entries following it are to be made in the Journal. It will be seen that instead of opening new books the business record continues in the old books. The history of the organization of a Stock Company and the transfer of assets, good will and liabilities from a single proprietary business to a Joint Stock Company marks an era in the books, and the entry "Subscription Acct. To Capital Stock" indicates a new classification of accounts. But this new classification is not complete until the next entry is made which transfers the Stock or Investment acct. of Daniel Dunning, 75,356.33, to his private acct., at which time he is also credited for the good will of his business, 74,643.67. It is evident that there could not be represented a Capital Stock acct. of a company of 150,000.00 (in which Daniel Dunning's interest of 120,000.00 is represented), and the private Stock acct. of Daniel Dunning, upon the same set of books.

Upon the completion of the second entry the books are fully opened in the name of the Stock Company.

Subscription acct. in this set is a real acct., and as a resource sustains the same relation to the concern as Bills Rec. acct., both representing written promises.

Capital Stock represents the aggregate nominal capital (which in this set represents also the real capital), as it shows the real difference between the resources and outside liabilities of the Company.

"Good Will" represents the value of the business, which value is real instead of fictitious, for, in the transfer Dan'l Dunning makes over his established trade based upon years of experience in business.

Should Daniel Dunning desire to go into business again he could not, by the conditions of the sale of his business, resume the manufacture and sale of gloves and mittens. And this reputation for his goods and the trade built up therefor, and which he has surrendered, is owned and controlled by the company and represents a resource to them. For it will not only result in profit to the concern but it is something that the company can sell and transfer for value.

The next entry — "Daniel Dunning, To Subscription" — is made in the regular way of business. Daniel Dunning has had delivered to him 1200 shares of the capital stock of the company as per certificate No. 1, and the 120,000.00 value of same is charged up in his private account against the 150,000.00, and in part payment therefor.

After posting the above entries the student will take off a trial balance. Notice that subscription account is debited with 150,000.00, which represents the amount subscribed for, and credited with

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

120,000.00, which represents the amount of stock delivered. The debit balance shows 30,000.00, which amount represents the balance of stock subscribed for and not yet issued, as shown by the Stock Subscription Book.

The following additional stock has been issued and settled for as follows: Mark Stover, 200 shares at 100 per share. Received therefor on first installment of 25%, 5000.00, as follows: — Cash, 2500.00, his 30-da. note for 2500.00, endorsed by E. M. Moodey and James W. Brown; the balance to be paid for in installments of 3 mos., 6 mos., and 9 mos., respectively. (*Enter as follows: Daily Cash Balance Book, Subscription acct., per Mark Stover, 2500.00; Journal, Bills Rec. To Subscription. Received of Mark Stover his 30-day note in balance of payment on first installment for subscription to stock as per stock book, 2500.00 Also in Journal debit Installment acct. for 15000.00, explaining as being the balance due on installments two, three and four, of 5000.00 each as per Installment Book, and credit Subscription acct. for the total amount of Installment acct., 15000.00.*)

The credit to Subscription acct. does not indicate or mean that 20,000.00 has been *paid* on subscription acct., but that 20,000.00 in stock that was subscribed for has *been* issued. Should you now stop and post the above entry your Subscription acct. would show a debit balance of 15,000.00, which debit balance shows that there is 15,000.00 worth of stock yet to be issued on the original amount subscribed.

Stock is usually sold on installments or assessments, and "Installment" acct. in the main Ledger represents the amount to come due on unpaid stock at stated periods. Sometimes the Installment account is divided into separate accounts in the ledger as it is to mature. In that case the above would be entered in separate accounts and headed on the ledger as follows: Second Installment, Feb. 1, 189–. Third Installment, May, 1, 189–. Fourth Installment, Aug. 1, 189–.

Each account would be debited with one-fourth of the 30,000.00 unpaid on Feb. 1st.

Ordinarily Corporations issue Installment Scrip to stockholders for their assessments as fast as paid, and when all the assessments are paid the Installment Scrip is taken up, cancelled, and a Stock Certificate issued. But in unincorporated Joint Stock Companies, usually certificates of stock are issued direct. No stockholder can negotiate his stock except as transferred upon the books of the company, nor can he vote at any of the meetings of the stockholders unless all assessments are paid. When Installment Scrip or Stock Certificates are redeemed, they should be cancelled by writing the word "Cancelled" across the face, together with the date and the number of the new certificate or script issued in lieu thereof. When cancelled it should be pinned or pasted to the stub from which it was originally detatched. Cancelled scrip, or certificates, are never destroyed except upon order of the board of directors, when it is burned in presence of, and at an open meeting of the board.

E. L. Graves is issued a certificate for 50 shares, one-fourth paid for in cash and the balance to be paid for in three installments. (*C. B. and Journal.*)

Frank T. Ladd, Erastus Green, James T. Allen, Myron Griffis and M. L. Ensign are each issued a certificate for the 10 shares subscribed for by them, each paying thereon one-fourth in cash, the balance to be paid in three installments as above.

Subscription account now closes, which indicates that the 150,000.00 subscribed for has been taken. Installment acct. has now a total of 22,500.00, which shows that there is due on installments that amount and which may be verified by the Installment Book.

NOVEMBER 6, 189–.

The stubs of the Check Book show the following payments made: Nov. 2d, Boice Bros., 75.00, for invoices Oct. 5th, 33.50 and 41.50; James P. Owen & Co., invoice blank books for the secretary, 35.75; 2d, Bank, for note due to-day, 3000.00; Daniel Dunning, part payment on acct., 2000.00. (*Enter in C. B. Charge blank books to Expense. Commence your checks at No. 1 again as it will indicate the commencement of the new bank acct.*)

As the stub of the Check Book is the basis for transfers, make the stub full and complete regarding the check issued. State name, date, and for what accts.; state discount, rate, freight, etc., which may be deducted. If on acct. and to pay some particular bill, state the particular bill to be paid. A check is not necessarily a voucher to the end that credit should be given in acct. It simply answers as evidence that money was paid, but for what the money was paid might require testimony to determine. Some business houses draw all checks payable to their own order and then on the back endorse over, for instance, as follows: "Pay to order Boice Bros. on acct. for Oct. 4th invoices," in which case a check so drawn would be a competent voucher in any court.

The Cash Balance Book for the week shows the following receipts and payments: Nov. 1st, Balance in safe, 274.00; Mark Stover, on subscription, 2500.00; E. L. Graves, on subscription, 1250.00; Frank T. Ladd, on subscription, 250.00; Erastus Green, on subscription, 250.00; James T. Allen, on subscription, 250.00; Myron Griffis, on subscription, 250.00; M. L. Ensign, on subscription, 250.00;

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued)

2d, Lincoln & Co., per draft on New York, 314.90, for inv. Oct. 12th, less 6%; 3d, Wells, Munger & Co., per draft on New York, 240.64, for inv. Oct. 8th and 31st, less 6%. Cash sale to Marlborough & Co., St. Joseph, Mo., per draft on New York, 10 doz., No. 440, less 6%. Total debit, 6149.14. Payments: Petty expenses for the week, per P. E. B., 19.82. Deposited 5874.14; balance in safe, 255.18. (*Enter in C. B. The entries to Subscription acct. have already been explained.*)

Ordinarily the treasurer of a Joint Stock Company acts as cashier and as such he usually keeps the record of the Petty Cash Book and the Check Book. Sometimes, however, the book-keeper would act for him as his confidential man. In this set division of labor is recognized, and therefore a summary of each book of original entry will be given at the end of each week.

The following invoices have been checked off by the superintendent: 2d, Brown, Joice & Co., invoice Mantamora buckskin, 2314.20, rebate 5%; 3d, Boice Bros., invoice cases, payable at the end of the month, 22.75. (*Enter in Acct. Pay. Book.*)

Remitted, per draft on New York, 1291.01 on acct., to Brown Joice & Co., to pay for invoice 2d inst., 2314.20, less interest off for 30 days, 11.57; rebate as per acct. in Ledger, 1011.62; check for balance, 1291.01. Paid exchange on draft, in cash, 35¢. (*This is entered in the Petty Expense Book, and will be a part of total when reported. Mark "paid" in the Acct. Pay. Book, entering all the detail there. In C. B. enter "Brown, Joice & Co., check, No. —, on invoice 2d inst., less ½% for 30 days, and rebate acct., 1011.62." Extend the amount of interest into the discount column and the amount of the check into the Net Cash column and also into the Memo. Bank column. Immediately beneath charge Brown, Joice & Co for "rebate as per Ledger, folio —" and extend the 1011.62 into the net cash column, writing the word "Contra" on the explanatory line. Upon the opposite or debit side of the C. B. write "Rebate acct.—for settlement Brown, Joice & Co.," and extend the amount into the General column.*)

The reason for making the above contra entry in the C. B. is that the transaction is substantially a cash transaction and a contra entry is made in the C. B. that all of the different factors of the settlement may appear in one place. Should the book-keeper prefer, however, to make a Journal entry, the explanations should be full and complete, leaving nothing to be inferred.

The Shipping-Sales Book shows the following sales on acct.: 2d, Burnham & Wood, terms regular, 10 doz. 715; 5 doz. 710; 2 doz. 625. 3d, Lincoln, Jones & Co., successors to Lincoln & Co., terms regular, 5 doz. 715; 5 doz. 625; 5 doz. 430. (*Enter in S. B. and O. B. Open a new acct. for Lincoln, Jones & Co., old acct., fol. —. Under head line of old acct. write "Succeeded by Lincoln, Jones & Co., new acct., folio —," and transfer the balance of the old order to the new acct.*)

Where in the notice of a change it is stated "the accounts of the old firm will be settled by the new firm," at once transfer by ledger entry the debit balance of the old acct. to the new acct. But if stated that the outstanding debts will be settled by the old firm the old account should remain open until paid.

5th, Receive per A. M. Express, charges prepaid, the invoice and samples sent M. G. Cooper on the 14th ult., 18.25. (*Enter in S.-S. B., extending the amount into the "Returned Mdse." column* [*see illustration, page 189*]. *Do not put the number of doz. in the "Dozens" column, but enter on the margin so as not to include the total dozens sold.*)

The following orders were received during the week and recorded: Nov. 3d, Burnham & Wood, per M. D., terms regular, 10 dozens each, 708, 710, 715, 430, 425, 435, 452, 600, 605; ship on 8th inst. 5th, Wells, Munger & Co., M. D., 10 doz. 708, 10 doz. 715, 5 doz. 430, 2 doz. 415, 1 doz. 610. Cancel old order of 625. Lincoln, Jones & Co., M. D., 25 doz. 710. (*Enter in Order Book adding to old balances. After entering the order of Wells, Munger & Co., in their order cancel the balance due on 625 by writing under the number of dozens remaining due in red ink the same number of dozens, and in the right-hand margin write "Cancelled Nov. 5th, 189–, by letter."*)

In recording orders for goods or in canceling them business men are careful to state "in person" or "by letter," for the reason that if there should be litigation over an account an order by letter would be a question of fact, while an order "in person" would require evidence to substantiate.

NOVEMBER 13, 189–.

The Cash Balance Book shows the following record: 6th, balance on hand, 255.18; 8th, E. W. Woodward, Sons & Co., 878.75, per New York draft for invoice 16th ult., less 5%; Sale of leather clippings (acct. Mdse.) from Cutting room, 3.75; Cash bill samples, 1 doz. each, 715, 708, 625, 452, less

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

6%, per New York draft, from Morell & Co.; 9th, Burnham & Wood, per N. Y. draft for invoice 2d inst., less 6%; 9th, Lincoln, Jones & Co., per N. Y. draft, for invoice 3d, less 6%.

Payments: Petty expenses, per P. E. B., 11.78; advanced John Cooper on labor, 10.00; advanced Mary Fish, on labor, 15.00; advanced book-keeper on salary, 15.00; deposited all drafts, 1334.18; balance in safe, 207.15. Enter remittance of E. W. Woodward, Sons & Co. in the Main C. B., thus:

			Disct.	Net.
Nov. 8th.	Petty Accts.	E. Woodward, Sons & Co., Oct. 16.	46.25	878.75

In posting a credit to an account composed of Discount and Net Cash do not post the total alone but detail thus: 'Nov. 8th, Cash, 878.75; Disct. 46.25," and extend the 925.00 into the money column. This should be done for two reasons: First, to enable one to re-check the cash items, and second, as a statistical reference in subsequent transactions where precedence often decides terms and discounts.

The Shipping-Sales Book shows the following sales, terms regular: 8th, Burnham & Wood, M. D., Case No. 3, ½ each of the total dozens due them as per O. B., bill to be discounted on 23d. 10th, Wells, Munger & Co., M. D., Case No. 4, 10 doz. 708, 12 doz. 705, 19 doz. 452, 2 doz. 415, 1 doz. 610. 11th, Lincoln, Jones & Co., M. D., Case No. 5, 25 doz. 625, 10 doz. 710. 12th, The Montana Co-operative Association, Helena, Mon., per M. D., Case No. 6, $\frac{1}{12}$ doz. ea., 710, 708, 625, 430, 452, 415, 610, 600, 605. (*Enter last sale in Petty accts.*)

The stubs of the Check Book show the following payments: 13th, Bronson, Post & Hanover, 166.40, in payment invoice 10th; N. P. Bradley & Co., 76.56, in payment invoice 8th, less 2%; Glove City Gas Co., bill plumbing and repairs, 13.25; E. L. Toby, for painting factory, 85.00, painting mill, 120.00, total, 205.00. (*C. B. Remember that improvements on mill property are not charged to Mill acct., but to Real Estate.*)

Bought on acct., 5 ds. net cash, of Bronson, Post & Hanover, Portland, Me.: 10 brls., N. F. Cod Fish Oil, for mill, 40, 42, 41, 43, 40, 44, 41, 43, 42, 40—416 gals., @ 40¢. Invoice dated Nov. 10, 189–. (*Enter acct. Mill in Acct. Payable Book.*)

Bought of Robinson & Churchill, New York, invoice 9th inst., chemicals for mill, 128.12, 30 ds. net. (*Enter in A. P. B.*)

Bought of Boice Bros. invoice of cases, dated 11th, 82.75, 30 ds. net.

Bought of The Jersey City Furniture Co.—Limited, bill furniture for directors' rooms, 62.50, 30 ds. net.

Bought of N. P. Bradley & Co., bill Kid Skins, dated Nov. 8th, 30 das. net, 2% 10 das., 78.12.

NOVEMBER 20, 189–.

The Cash Balance Book shows the following entries: Nov. 13th, balance on hand, 207.15; 14th, The Mott Jones Hat Co., draft on New York, 325.37, for invoice Oct. 14th and 18th, less 5%; Janis, Smith & Co., draft on New York, 855.00, for invoice 17th, less 5%; "Suspense acct.—Cash over" (entered in red ink), 37.60; total debit, 1425.12. Payments: Glove City Coal Co., 12 tons Nut coal, for use of office, 4.75 per ton, and 22½ tons Grate, 4.25 per ton at mill. (*Expense and Mill accts.*) 20th, Petty expenses for the week, 5.18; balance in safe, 1267.31.

In the above summary there is indicated a method of closing cash over or cash short into Suspense acct. Never close the "Suspense" into Mdse. acct. or adjust it by the proprietor's pocket, as is sometimes done, but keep a Suspense acct. if the errors are not found, and by so doing the Cash Book record cannot be questioned in court. Do not at this time copy the Suspense acct. into the C. B. but carry the amount in the Balance Book until such time as the error may be found. Then, when found, supply the proper entry for the item found on the debit side and on contra side enter Suspense acct. If not found, however, by the end of the month, copy into the Main Cash Book.

The treasurer has notified the firm of Bronson, Post & Hanover that there remains of the Codfish Oil bought of them on the 10th inst. 6 brls. which are subject to their order, and that they are held for damages in the sum of 3000.00 for the following: All the oil tanned glove leather produced during the year was tanned in the oil bought of them which was warranted to be pure Newfoundland Cod Oil; that the leather produced has been of inferior quality, and that an analysis of the oil has proved it to be but 85% pure, it having been reduced 15% with neutral oil; that on account of the damage done to the trade suit will be commenced at once for the full amount as per bill of damages

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

rendered, unless, by return mail a remittance is made, in which case settlement will be compromised for payment of the oil on hand and 1000.00 in full for damages. (*Memorandum only. The six brls. total 255 gals. @ 40¢, and freight on same amounted to 15.80. Bill rendered was Oil, 102.00; Freight, 15.80; Damages, 3000.00; Proposition to settle, 1117.80.*)

The Sales Book for the week shows the following sales on acct.: 15th, Wells, Munger & Co., 12 doz. 705. 10 doz. 715; 5 doz. 430. Lincoln, Jones & Co., 5 doz. 715; 15 doz. 710. Wells, Munger & Co. write ordering 25 doz. 705, 50 doz. 430 and cancel the balance of 452.

NOVEMBER 27, 189–

The following is a summary of the Cash Balance Book for the past week: Nov. 21st, Balance in safe, 1267.31; 19th, Sale 4 doz. 625, less 6%, being the "cash over" item of the 20th, the sale having been omitted and closed into Suspense acct., 37.60. 22d, Lincoln, Jones & Co., draft on New York, 351.50, in full for invoice Nov. 11th, less 5%. 24th, Wells, Munger & Co., draft on New York, 549.10, for invoice Nov. 10th, less 5%. 25th, Mandall, Sons & Co., draft for 399.00 for Oct. 19th, less 5%.

Payments: Expense, per P. E. B., 8.17; deposited the drafts received above, 2479.97; Suspense acct., contra, to balance entry of the 20th and found as above, 37.60; balance cash in safe, 78.77.

The entry to Suspense, contra, should be made in red ink. Next turn to the 20th and on line of "Cash over" write in red ink "Found Nov. 27th, see folio —." A book so kept will be a competent record in any court where its correctness may be questioned.

Based upon a rumor that the firm of Burnham & Wood were not meeting their claims promptly a special report was furnished through R. G. Dun & Co., and later a statement was furnished from Burnham & Wood which proved to be unsatisfactory. An attorney of the company who was sent to settle with the firm, returned with the following items for their credit: For the balance of their account, 1243.00, and for the balance of gloves to be delivered them as per their order, he received in settlement a 90-day note secured by a second mortgage on real estate situated in Camden, N. J., and valued by the city assessor at 3500.00. There being a first mortgage of 2000.00 on said property dated Nov. 25, one year previous, and due two years from date, said mortgage has been transferred to us for which a check has been given in payment of the mortgage and accumulated interest for one year at 5%, being in amount, 2100.00. The security being ample settlement was made upon that basis. Goods are to be forwarded them at once as per their order.

You will now make the following Journal entry:

Mortgage Rec.,	4436.84	
Discount,	149.16	
To Accts. Rec.,		4586.00
Settled with Burnham & Wood for the balance of their acct. on the Ledger,	1243.00	
And for balance of goods due them,	1243.00	
Total sales,	2486.00	
Advanced to transfer 1st. Mortgage, Camden,	2100.00	
Total to settle for,	4586.00	
Allowed them 6% on the 2486.00,	149.16	
Received in settlement a 90-da. note secured by 2d mortgage on above real estate,	4436.84	

The firm of Burnham & Wood must also be credited in the Sales Ledger for the discount and the mortgage. The transfer of the first mortgage was made for the purpose of securing the second mortgage. Of course judgment could be rendered in February on the second mortgage should your notes be dishonored, but judgment could not issue until the following November, and perhaps not then should the first mortgage be foreclosed, for probably but little would be left from the sale after the satisfaction of the first mortgage.

The stub of the Check Book show the following payments: 20th, Burnham & Wood, 2100.00, to pay for transfer of mortgage. (*Enter the 2100.00 in the C. B. as follows: "Accts. Rec., Burnham & Wood, on Morty.," and extend the amount into the General column, there being no special column on the credit side of the C. B. Post to Accts. Rec. in the General Ledger and then post to Burnham & Wood's account in the Sales Ledger.*)

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued)

The above entry may at first appear confusing from the fact that the item is posted *twice*. And yet if the student will turn to the debit side of his C. B. he will discover that this is precisely what he does with every collection — credit it *twice* — once to Accounts Rec. in the General Ledger, and once to the parties paying on account in the Sales Ledger, but with this difference: Instead of posting to Accounts Rec. at the time, the footings of all the credits to Accounts Rec. is posted at the end of the month. There being no special debit column the above entry is posted at the time.

NOVEMBER 28, 189–.

Shipped the balance of goods due Burnham & Wood. (*Enter in their account, which should now balance. Rule and foot the account.*)

Ordinarily no footings, or rulings, are made in sales accounts until the end of the year, except continuous pencil footings. The object is to show the volume of business for the year. But in accounts like the above, from the nature of the settlement it is probable that no more sales will be made during the year, and therefore the account should be closed.

NOVEMBER 30, 189–.

The Cash Balance Book Summary is as follows: Nov. 27, balance on hand, 78.77; Bronson, Post & Hanover, draft on Boston, 1117.80 (to balance proposition made on 20th, per Letter Book).

Payments: Osborne, per P. O. order, for traveling expenses, 110.85; Expenses per P. C. B., 19.89. (*Enter in C. B. For the remittance from Bronson, Post & Hanover make the following entries in the Mill and General columns: Mill, Oil returned B. P. & H., 102.00; Freight, freight on Oil returned, 15.80; Loss & Gain, On bill damages from B. P. & H., 1000.00.*)

In business, a reliable house would, upon a discovery of inferior stock, notify its customers in the trade and offer to make good all damages. The above Loss and Gain would then be a sinking fund from which to draw.

The Sales Book shows the following sales on account since the 27th:

28th. Wells, Munger & Co., balance of order.

Lincoln, Jones & Co., balance of order.

Wilson Bros. & Co., San Francisco, Cal., per M. D.: 50 doz. 435, 50 doz. 440, 50 doz. 452, 100 doz. 451, 140 doz. 430.

The order of Wilson Bros. & Co. may be entered in the Order Book, although it is not strictly necessary, for the goods are shipped on the same day that the order is received.

The stub of the Check Book show the following payments:

Freight bills and cartage,	156.29
Salaries to date,	488.34
Balance pay-roll per P. R. B.,	2583.60
Boice Bros., to balance acct.,	150.50
Osborne, for traveling expenses,	43.81

The following invoices have been checked off: Jennings & Co., 26th, 30 ds. net, 46.80, for buttons; Boice Bros., 30th, boxes, 45.00 (*A. P. B.*); Mill acct., 30th, 298.20, for work done on skins (*J.*).

The Time Books and Piece Books have been handed in as follows:

SILKING DEPARTMENT — BOOK A: — Mary Winnie, 58.25; Nancy Martin, 51.75; Carrie Stone, 54.50. HEMMING DEP'T — BOOK B: — Mary Fish, 40.80; Ellen Allen, 51.20; Jennie Martin, 45.75; Carrie Anderson, 56.80; Blanche Goddard, 58.60; Mamie Beach, 42.00. MAKING DEP'T — BOOK C: — Tom Wilson, 88.20; H. W. Kennedy, 85.00; Warren Ford, 85.00; L. M. Cook, 74.50. CUTTING DEP'T — BOOK D: — John Cooper, 75.25; W. W. Egan, 87.15. JOB BOOK: — Mrs. Moore, 55.75; Ellen Townsend, 48 40; M. L. Beemis, 60.45; George Camp, 85.00; M. C. Traine, 55.28; Nancy Cook, 54.20; Ned Banks, 52.60; Julia Moodey, 58.18; Ellen Todd, 50.36; M. Smith, 58.00; Nellie Graham, 45.50; E. M. Ensign, 65.45; Tom Cooper, 37.37; Laura Angell, 65.21; James Parker, 76.90; N. Warnick, 72.30; M. W. Rooper, 58.90; Aggie Farmer, 45.60; Katharine Hewson, 48.40; Frank Hewitt, 65.30; Harry Long, 68.45; James Kane, 66.25; Will Monroe, 57.00; Frank Eldredge, 65.90; W. Finch, 68.10; James Hawkes, 59.00; Glenn Harris, 52.00; George Young, 58.00. (*Copy into the Nov. column of the Continuous Pay-Roll Book which you opened last month. No names will be rewritten, but commencing with the name of Aggie Farmer, those that follow are of new employees and must be added.*)

You will now foot and post the main books, and then test the correctness of the Ledger by a

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

memorandum trial balance. When found to be in balance, credit the following accounts, in *red ink*, with their inventories, and close them by carrying the net debit balances into Mdse. acct. (*see Mdse. acct., page 196*) and bring down the inventories under each separate account: Silk and Thread, Inv., 44.15; Manufacturing Expense, Inv., 37.65. The following additional accounts have no inventories and are to be closed into Mdse. acct.: Freight and Cartage, 140.49; Bands, Boxes and Cases, 150.50; Buttons, 46.80; Labor, 2608.60; Salary, 503.34; Traveling Expense, 179.00.

The inventories were credited in the above accounts at this time, not to determine the loss or gain, but the net amount of Silk and Thread used in the manufacture of Mdse., and to determine the net Expenses for the month, that the proper amounts might be charged to Mdse. account by transferring them to that acct., as above indicated.

In business a statement would be rendered to the directors of the Company, certified to by the treasurer as follows:

STATE OF NEW YORK }
COUNTY OF ———. } *ss.*

I hereby certify that the accompanying Trial Balance is a true and correct abstract of the General Ledger of The Daniel Dunning Glove Co. for the month of Nov., 189–, as shown by the books in my office, and that the accompanying inventory was taken at the present cash standard of values, the details of which were counted by me.

GLOVE CITY, N. Y., Nov. 30th, 189–. MARK STOVER,
Treasurer.

The following is the inventory:

Silk and Thread, per schedule A,	44.15
Expense, unexpended supplies, B,	37.65
Mdse., schedules C, D, and E, as per your stock book,	1010.00

You will next render your trial balance in total debits and credits.

In business, the trial balance and inventories, would be taken to the Board of Directors by the treasurer for their action.

The following communication has been received from the directors:

NOVEMBER 30th, 189–.

TO MARK STOVER, *Treasurer.*

At a regular meeting of the Board of Directors of The Daniel Dunning Glove Co., held at the office of the Company according to law, on the 30th day of Nov., 189–, among other proceedings the following resolution was adopted:

By Mr. Ensign:

Resolved, That the treasurer of the Company be instructed to enter the following inventories upon the books of the Company, in addition to the inventories reported to the board:

Real Estate (Ledger balance, 45,000.00),	44,000.00
Furniture (Ledger balance, 519.70),	360.00
Machinery (Ledger balance, 27,000.00),	26,000.00
Contra.	
Discount (Anticipated on Accts. Rec., 5%),	423.26

Resolved, That based upon the showing of the month's business, as indicated in the trial balance, that there be set aside from the Loss and Gain account, for a Sinking Fund to meet losses on account, an equivalent of two (2) per cent. per annum, or $\frac{1}{6}$ of one per cent. for the present month; that there be declared a dividend equivalent to ten (10) per cent. per annum, or $\frac{5}{6}$ of one per cent. for the present month, calculated upon the capital stock of the company, and that the balance of the Loss and Gain account shall be credited to a reserve fund, to be known as Undivided Profits; said reserve fund being set aside to meet subsequent losses, if any, other than provided for in the Sinking Fund.

DAN'L DUNNING, *President.*

M. L. ENSIGN, *Secretary.*

Pursuant to the above resolution, proceed to close the following accounts: Credit Mdse. account with the inventory of 1010.00 and close the net gain into Loss and Gain account. Debit Discount account with the anticipated trade discount on Accounts Rec., 423.26, and close the balance into Loss and Gain account. Proceed in a like manner to credit Real Estate, Furniture and Machinery with their separate inventories, as above ordered, and close the net loss or net gain into Loss and Gain account. Remember to bring down the inventories under each account. The balances thus brought down represent resources, except the balance brought down under Discount account, which is a presumptive liability.

After closing all of the accounts showing losses and gains into the Loss and Gain account, make the following Journal entry and post same:

Loss and Gain,	1962.58	
Dividend account,		1250.00
Sinking Fund,		250.00
Undivided profits,		462.58

MEMORANDA OF TRANSACTIONS FOR NOVEMBER (Continued).

The above transfer of Loss and Gain account is pursuant to "Dividend resolution" of the Board of Directors, on file.

Dividends are usually declared in Joint Stock Companies either quarterly, semi-annually, or annually, but to illustrate the account of Dividend as one of the main accounts, a dividend is declared at the end of this month.

After posting the above it will be seen that the Loss and Gain account is closed, and that the process of closing the Ledger is in the regular way of business and by a Journal entry. The account of Dividend is a liability, and will be closed only as paid. Sinking Fund will remain open during the year, and unless diminished by losses sustained on collections, will, at the end of the year, amount to 3000.00. When a customer fails in business he is credited for the amount of the loss, and Sinking Fund is debited for the amount of loss sustained.

In setting aside a balance from the Loss and Gain account, it has been deemed best to follow the plan adopted by most Joint Stock Companies, which is to transfer this reserve into an account called Undivided Profits. On the books of most incorporated companies, which are called Corporations, this reserve is known as "Surplus Fund," or "Reserve Fund," and appears as such in the published statements. This reserve fund is a portion of the net gain not divided among the stockholders, but held as a reserve to meet some loss, or losses, not otherwise provided for. Often the Sinking Fund is more than enough to balance all losses and the account of Undivided Profits remains unappropriated. A time may come, however, when the year's gain is small, or a loss may be sustained, in which case the Reserve Fund is appropriated to average up the dividends.

No Balance Sheet is called for in this set. In business, all that would be required would be a final trial balance, which would be composed of the Ledger balances. As an analysis of the work, however, the student may render a statement as usual.

The foregoing set has reference to full liability Joint Stock Companies. What is known as a limited liability Joint Stock Company is explained below.

Limited Joint Stock Company.—There is another kind of Joint Stock Company which is rapidly increasing in number in this country, known as a limited liability company. A limited liability company is an incorporated company, and is known in law as a corporation, but differs from a full liability corporation in this: Each shareholder in a limited liability company is individually liable to the creditors of the company for the amount represented in his certificate, until the full amount of the capital is paid in and a certificate thereof has been made and recorded as prescribed by the Act. If judgment which has been rendered against a limited company is not paid, proceedings may be instituted against any one of the shareholders liable as above for an amount equal to the par value of the shares owned or controlled by him. Should he be required to pay a claim, he is entitled to recover from each shareholder such a part of the claim as each shareholder's stock is a part of the whole capital stock. Limited liability companies are required by statute law to use the word *"Limited"* after the name of the company whenever and wherever the name of the company is used, either written or printed; and the name of the company, with the word Limited, must be conspicuously posted outside their general office and every branch office. The capital stock of a limited company must be paid in, one-half within one year and the other half within two years from its incorporation, otherwise it shall be dissolved.

QUESTIONS.

What main books are used in the Manufacturing set? What auxiliary books are there used? Explain the use of the Calculation Book. Describe the Order Book and explain its use. Explain the form of Pay Roll Book used in this set. From what books are the entries in the Pay Roll Book made? What two books are combined in the Shipping-Sales Book, and what is the advantage of combining them? What is entered in the "Shipping Marks" column of the Shipping-Sales Book when a shipment is made? What is done after goods have been selected or "assembled" and are ready to be packed in the case? What is done when the goods are all packed and the bill of lading obtained? Describe the Invoice Book illustrated in connection with this set, and explain how it may be used as a principal book. What accounts are closed into Merchandise account at the end of the year? What are Joint Stock Companies? What are the main advantages possessed by Joint Stock Companies over partnerships? What is a Corporation? Explain how a Joint Stock Company is organized. What books are required by the secretary to keep the official records of a Joint Stock Company or of a Corporation? Explain the use of these books. In what books are the business records of the company kept? By whom are these business records kept? What new accounts are opened in changing from a proprietorship to a Joint Stock Company? What account is closed? What account in the Ledger of a Joint Stock Company represents the owners of the business? Into what account or accounts is the Loss and Gain account closed? Explain the meaning of "Dividend acct." Of "Sinking Fund acct." Of "Undivided Profits acct." Who determines the amounts to be credited to each of the above accounts? Review the instructions and explanations given in the memoranda for October and November. What is a Limited Joint Stock Company?

BANKING.

[1]**A Banker** is a dealer in money. [2]The business of banking consists in receiving deposits of money on which interest may or may not be allowed; in making advances of money, principally in the way of discounting notes and other commercial paper; and in effecting the transmission of money from one place to another.

[3]The disposable means of a bank consist of the capital paid in by the shareholders; the money deposited with it by its customers; the notes it can circulate; the money it receives in the course of transmission, and which, of course, it must repay in another place.

[4]The profits of a bank arise mainly from the following sources: discount, interest, dividends, exchange and collection.

[5]Banking associations are divided into two general classes: Public banks and Private banks. [6]Public banks are also of two classes: Those organized under the laws of the State in which they are located, and those organized under the laws of the United States. [7]The former are called State banks and the latter are called National banks. [8]State banks may be divided into Deposit and Discount banks, Savings banks and Trust companies. [9]Private banks are conducted by individuals and are unincorporated. [10]State and National banks are incorporated institutions.

[11]**A National Bank** is a bank organized under the National Banking Act. [12]This does not mean that the government owns or conducts National banks, but only authorizes their creation and prescribes their mode of doing business. [13]Every association doing business under this law is governed by the same principles, is subject to the same inspection, uses the same forms in making reports to the Treasury Department at Washington, and is under the same penalties for the violation of any requirement of the National Banking Law.

[14]The National banking system, based on the system of banking in the State of New York in 1862, is the principal banking system in the country, and the only one by which banks now issue notes of their own.

[15]By the National banking law banking associations may be formed by five or more persons who must specify in their articles of association the several objects for thus uniting.

[16]They must make "an organization certificate" specifying the name assumed by the association; its place of business; the amount of its capital stock and the number of shares into which it is divided; the names and residences of the shareholders and the number of shares held by each; a declaration that the certificate is made to enable them to avail themselves of the advantages of the act.

[17]The association may sue and be sued, elect directors, who, in turn, may elect a president, vice-president, cashier and other officers; discount and negotiate promissory notes, drafts, bills of exchange, and other evidences of debt; receive deposits, buy and sell exchange, coin and bullion; loan money on personal security, issue and circulate its own notes, and make all needful by-laws not inconsistent with the Banking Act.

[18]There must be at least five directors. Each director must own at least ten shares of the stock, and he holds his office until the election and qualification of his successor. [19]Annual meetings are held in January. [20]The capital stock is divided into shares of $100 each, and are transferable. [21]The liability of a shareholder is limited to a sum equal to the par value of his stock. [22]Before beginning business, fifty per cent. of the capital stock of an association must be paid in, and ten per cent. of the remainder monthly until all is paid. [23]After the association is organized and fifty per cent. of the capital stock paid in, the next step is the transmission by the association of a certificate to the Comptroller of the Currency stating that all the provisions of the law with reference to organizing a bank have been observed. [24]The Comptroller of the Currency then makes such an examination as may be thought necessary, and if he finds that the law has been properly complied with, he gives to the association a certificate to that effect, and that it is authorized to begin business. [25]This certificate must be published within sixty days from the time of receiving it.

[26]As a necessary preliminary to furnishing notes for circulation, the Comptroller of the Currency under the direction of the Secretary of the Treasury, is entrusted with the important duty of engraving plates in the best manner to guard against counterfeiting and fraudulent alterations, and to print therefrom and number so many circulating notes in blank as may be required to supply the banks entitled to receive the same.

[27]After these notes have been signed by the president or vice-president, and the cashier, they are issued and circulate as money, and are received at par everywhere in the payment of taxes, excises, public lands, and all other dues to the government, except for duties on imports; and also for all salaries and other debts owing by the United States, except interest on the public debt and in redemption of legal tender notes. They are also a legal tender for any debt or liability to every National banking association. [28]The notes which are issued by National banks are secured by registered United States bonds, deposited with the Treasurer of the United States. [29]Upon a deposit of bonds the association making the same is entitled to receive from the Comptroller circulating notes equal in amount to ninety per cent. of the par value of the United States bonds so deposited, but the total amount of such notes issued to any association may not exceed ninety per cent. of the amount of its capital stock actually paid in.

[30]Many National banks, especially those located in some of the large cities, do not issue notes for the reason that with the tax of one per cent. a year upon the average circulation, the expense of handling the notes, the expenses of the redemption of the same, the express charges, etc., they find it is not profitable.

[31]A National bank can hold real estate under the following conditions, and no others: The building needful to transact its business; land mortgaged to it in good faith to secure debts previously contracted in the course of business; lands purchased under sales ordered by courts in order to secure debts due to the bank. In the last three cases the real estate cannot be held beyond five years. [32]National banks cannot make loans on the security of their own stock, except to prevent a loss on a debt previously contracted, nor can they pledge their own notes of circulation for the purpose of getting money to pay in their capital stock. [33]They are subject to examination by officers appointed by the government. They must make reports to the Comptroller of the Currency according to the forms which he prescribes, exhibiting in detail the resources and liabilities of the associations at the close of business on any past day specified by him. [34]The Comptroller is required to call for not less than five such reports during each year. These reports must be verified by the oath of the president or cashier and attested by the signatures of at least three of the directors.

[35]In addition to the reports mentioned above, each association is required to make a sworn report within ten days after the declaration of any dividend, of the amount of such dividend, and the amount of the net earnings.

[36]The National banking law provides that semi-annual dividends of the net profits of any National bank may be declared by the directors thereof; but that before each dividend every bank shall carry one-tenth of its net profits of the preceding half-year to its surplus fund until it shall equal twenty per cent. of the capital stock.

For a further explanation of the National banking law, the student is referred to Bolles' Practical Banking, from which excellent work some of the foregoing paragraphs were compiled.

State Banks.—[37]A State bank is a bank organized under the laws of the State in which it is located. [38]The preliminary steps in organizing a bank under the banking law of the State are much the same as those to be taken in organizing a National Bank. [39]The subscription list is opened, articles of association and a name are adopted, a Board of Directors and officers are elected, just as in the case of a National bank. [40]In addition to the steps mentioned, it is necessary that a copy of the articles of association be filed with the Bank Superintendent of the State, where there is such an officer, or with the Comptroller, and another copy in the office of the clerk of the county in which the bank is to be located.

[41]Previous to July, 1866, State banks issued notes which circulated as money, but on that date the government imposed a tax of ten per cent. on the circulation of the State banks, which had the effect of withdrawing it as the rate was too high to allow of any profit to the banks on it. [42]Except as to issuing circulating notes, State banks are conducted as they were before the creation of the National banking system. There is very little difference between the internal workings of a National and State bank. [43]The main function of receiving deposits and of loaning them is performed in essentially the same way by all banks.

[44] It is claimed that State banks possess some advantages over National banks among which are the following: [45] They are not examined so critically; in some cases are not required to make returns to State officials, and in no case are such full returns required as the National law requires to be made. [46] They can certify checks in excess of the amount which the depositor may have at the time of certifying. The National banks are expressly forbidden to do this.

Private Banks.—[47] A private bank is a bank organized and operated by a private individual or by a firm.

[48] In opening a bank by an individual no formality is required, unless restricted by statute; nor in opening one by a partnership, further than is necessary in any partnership formed for businesss purposes; simply a partnership contract, signed by the partners, setting forth the nature of the business to be transacted, the amount of capital each partner is to furnish, the duties of each partner, the duration of the partnership, and such restrictions upon the acts of the officers as it is thought wise to impose.

[49] **The Board of Directors** meet at certain specified times to consider the character of the paper offered for discount and referred to them by the president or cashier, and to consult as to general business. [50] In some banks the Board delegates its authority, in the matter of passing upon paper offered for discount, to the president or cashier during the intervals when the Board is not in session. [51] This exercise of authority by the president or cashier is, however, subject to the approval of the Board.

Officers of a Bank.—[52] The officers and clerks of a bank are, usually, a President, Vice-President, Cashier, Receiving Teller, Paying Teller, General Book-keeper, Individual Book-keeper, Note Clerk, Messenger, and Porter, together with the necessary assistants in the different departments.

[53] **The President** is the chief executive officer of the bank and presides at the meetings of the Board of Directors, and generally exercises the authority of the Board during its recess. [54] Some banks have a Vice-President who assumes the functions of the President during his absence.

[55] **The Cashier,** unless there be a Vice-President, ranks next to the President, and has certain specified duties to perform. [56] He is appointed by the Board of Directors and is required to furnish a bond for the faithful performance of his duties. [57] He keeps a record of the meetings of the Board of Directors, for whom he is the acting secretary. [58] The certificates of stock issued to shareholders are signed by him as well as by the President, as also are the notes which circulate as money. [59] Drafts drawn on other banks are usually signed by him, and he indorses personally or by deputy all drafts and notes sent away to other banks for collection. [60] All notes and drafts received from other banks for collection are endorsed over to him. [61] He is the manager of the internal workings of the bank, and has supervision of the clerical force. He is expected to have an intimate knowledge of the system of book-keeping practiced by his bank, and to see that the work in the various departments is properly performed.

The Tellers.—[62] The Paying Teller pays out all moneys, issues certificates of deposit, certifies all checks that are to be certified, and has charge of that part of the vault containing the working cash of the bank. [63] He must be acquainted with the signature of each depositor and his daily balance, and be rapid and accurate in the handling of money. [64] He is required to give bonds for the faithful discharge of his duties. [65] The Receiving Teller receives all the money coming into the bank, makes the record therefor, and at night turns over all money received during the day to the Paying Teller. [66] He too must be rapid and accurate in counting and handling money, and be able to detect counterfeit money and forged negotiable paper. [67] Like the Paying Teller he is required to give bonds. Sometimes the two offices are combined in one.

The Book-keepers.—[68] The book-keepers in a bank are known as General book-keeper and Individual book-keeper. [69] The General book-keeper has charge of the General Ledger, which usually contains the main accounts of the bank and also accounts with other banks. [70] The Individual book-keeper has charge of the Individual or Depositors' Ledger.

[71] The duties of the other clerks of a bank will be stated in connection with the explanation of the books.

Books Used.—[72] The books used in this set are Journal, General Ledger, Individual Ledger, New York Draft Register, Discount Register, Collection Register, Discount Tickler and Collection Tickler. Other books such as Offering Book, Dealers Discount Book, Dealers Bill Book, Tellers' Books, Certified Check Book, Certificate of Deposit Book and Statement Book are also used in banks.

JOURNAL.

MONDAY,

	COLL. & EXCH.		GENERAL.	
Monroe County National, Clyde, 211 [92]		50	211	92
Clinton National, 865 [70]	1	00	865	70
Henry D. Wilson & Co., Batavia, 942 [17]		35	942	17
Bills Discounted, 2500, 12000, 2540 [18]	7	92	17040	18
Discount, [83c] 9 [79]	3	19	10	62
Exchange National, New York,	9	69	9962	95
Deposits,			19831	57
Collection and Exchange,	22	65	22	65
			48887	76

NEW YORK DRAFT

EXCHANGE NATIONAL BANK, NEW YORK,

MONDAY,

No.	By Whom Drawn.	Of What Place.	On What Bank.	Face.		Total.	
	Balance.					74751	27
3043	First National.	Fort Scott.	Park Bank.	1450	00		
1682	Traders National.	Oakland.	Ninth National.	1942	16		
1142	Third National.	Bancroft.	Metropolitan.	234	91		
877	Exchange Bank.	Mt. Morris.	Bowery.	116	27		
229	Miners Bank.	Coalburgh.	Exchange.	386	34	4129	68
						78880	95

[73] **The Journal** sustains the same relation to the banking business that a Main Cash Book does to any mercantile business. [74] On the left-hand side are entered all cash receipts at the commencement of business and afterwards are entered all deposits and collections of whatever kind, either in detail or in total. [75] On the right-hand side are entered all payments on deposit account, either in detail or in total, and the amount paid out for notes discounted and for the running expenses of the bank. [76] If balanced the difference between the two sides should show the amount of cash in the vaults of the bank. [77] This balance usually consists of National Bank notes, Treasury Notes, Silver Certificates, Checks on other banks, the notes issued by the bank, Specie and Cash Items. [78] Cash items consist of memoranda of different kinds carried as cash. [79] Sometimes the Journal is balanced daily and the balance represents the cash on hand, and the Journal as a whole represents the cash account. [80] Usually, however, a Cash account is opened in the General Ledger and the footings of the Journal are posted daily, but the Journal in such a case is never balanced. [81] But whether this balance is made in the Journal or in the Cash Book the proof of the balance found is made in a book called a "Blotter," "Cash Proof" or "Cash Balance." [82] It is compiled as follows: On the right-hand side of a perpendicular line running through the center of a blank page is set down the balance on hand the day previous. To this is added the footing of the left-hand or debit side of the Journal, and from the amount thus obtained is subtracted the footing of the right-hand or credit side; the balance should be the amount on hand. [83] On the left-hand side of said perpendicular line and opposite the work already compiled is made a memorandum exhibiting the following· The total amount of bills on hand, the amount of specie on hand, the amount of cash items and the amount of checks and drafts on hand and treated as cash. [84] The aggregate sum should equal the sum of the other side.

[85] The entries in the Journal are made up almost wholly of totals compiled from other books. [86] The left hand side has two money columns devoted to "Collection and Exchange" and "General" respectively. [87] The Collection and Exchange column contains all the items to be credited to Collection and Exchange

JOURNAL.

DECEMBER 12, 189–.

		GENERAL.	
Monroe County National, Clyde, 423 [84]		423	34
Farmers National, Lincoln, 193 [42]	1215	1408	42
Traders National, Ontario, 345 [23]		345	23
Third National, Brighton, 583 [75]		583	75
Clinton National, 911 [13]		911	13
Exchange National, New York,		4129	68
Deposits,		30483	53
Bills Discounted,		3750	00
		42035	08

REGISTER.

In Account with SECOND NATIONAL COLLEGE BANK,

DECEMBER 12, 189–.

No.	In Whose Favor Drawn.	Exchange.		Face.		Total.	
1626	Drummond Bank, Pittsford,	2	81	4497	19		
1627	Jones Manufacturing Company.	5	63	4500	00		
1628	John Adams.		50	397	84		
1629	Samuel Wallace.		50	450	00		
1630	C. W. Davis.		25	117	92	9962	95
	Balance,					*68918*	*00*
		9	69			78880	95

account, and at the end of the day this column is footed and posted direct to this account in the General Ledger. [88] In the General column are entered the credits to Bills Discounted, Deposits account and Chemical Bank of New York. [89] The total for credit to Bills Discounted is entered here from the total amount collected during the day on paper owned by the bank, as shown by the Discount Tickler. [90] The total credited to the Chemical Bank is the footing of the New York Draft Register, which represents the aggregate amount of drafts drawn on the Chemical Bank by us during the day and [91] the total credit to Deposits account is from the total footing of the Deposits column in the Individual Ledger. [92] Receipts from other Banks and from other sources are also entered in the General column. [93] On the right-hand side of the Journal are entered the debits to Deposits account, the Chemical Bank of New York, accounts with other Banks and such other accounts as Collection and Exchange, Expense, etc. [94] The entry to Deposits account is compiled from the Total Check column of the Individual Ledger; [95] the total to Chemical Bank from the New York Draft Register, which total represents the remittances for the day to the Chemical Bank; [96] charges to the Expense account are either compiled from the vouchers in the cash drawer at night or from the Expense Book.

[97] When the business is of such magnitude as to necessitate the employment of two clerks upon the Journal, or where two tellers are employed in a bank, the Journal is divided into two books. The right-hand side of the general Journal would be bound into one book and called the Debit Journal and the left-hand side would be bound into a separate book and called the Credit Journal. Sometimes the Credit Journal is called the Debit Cash Book and the Debit Journal the Credit Cash Book.

[98] **The General Ledger** contains all of the accounts of the business excepting those with depositors, Certificates of Deposit and Certified Checks. [99] Deposits account in the General Ledger represents the total of all the accounts in the Individual Ledger.

[100] **The Individual Ledger** is a book of original entry for all cash transactions with depositors, and in using it much labor is saved and errors are less likely to occur. [101] It is made with a very large

INDIVIDUAL

NAME.	Balance.	MONDAY, DEC. 12, 18-9. Checks in Detail	Total Checks.	Deposits	Balance.	TUESDAY, DEC. 13, 189-. Checks in Detail	Total Checks.	Deposits	Balance.	WEDNESDAY, DEC. 14, 189-. Checks in Detail	Total Checks.	Deposits	Balance.
Adams, John.	10301 85	673 60 500 00 397 84	1571 44		8730 41	1400 00	1400 00		7330 41			1171 55	8501 96
Brown, H. J.	32465 36			3500 00	35965 36	900 00 3463 71 1941 82	6305 53		29659 83	1000 00 2500 00 603 42	4103 42		25556 41
Davis, C. W.	6619 99			1846 75	8466 74	93 18 112 50 825 00	1030 68	d1616 76 1500 00	10552 82	1741 96 622 12	2364 08		8188 74
Jones Mfg. Co.	16044 54	4500 00	4500 00	d1743 02 3118 56 o 910 63	17316 75			2260 00	19576 75	300 00 1074 83 1500 00	2874 83	4325 00	21026 92
*													
Certificates of Deposit,	3000 00				3000 00	3000 00	3000 00					1500 00	1500 00
Certified Checks,								1500 00	1500 00	1500 00	1500 00	1000 00	1000 00
Cashier Account,						448 35	448 35	d 448 35		1794 60	1794 60	d1794 60	
TRANSIENT ACCOUNTS.													
Long, H. S.	918 30				918 30	918 30	918 30						
	232206 37		30483 53	19831 57	221554 41		36111 09	20553 09	205996 41		23377 23	25742 99	208362 17

* Several accounts are here omitted, but the footings at the bottom include the results of the accounts omitted as well as those illustrated.

page — 18 x 23 inches not being an unusual size — large enough to contain the accounts of forty or more depositors on a page. [102] The left-hand page is ruled with a column for the names of the depositors, and one for the balances of the depositors' accounts. [103] The remainder of the page is divided into three sets of money columns, each containing four columns. [104] The first or left-hand column in each set is devoted to "Checks in Detail," the second to "Total Checks," the third to "Deposits" and the fourth to "Balances." [105] The right-hand side of the page is the same as the left-hand page, except that the column for the depositors' names is on the extreme right. [106] Sometimes these names are printed in where the book is made, especially where a bank has a certain line of regular depositors. [107] In that case a few blank lines are left after each letter, the names being arranged alphabetically, for the names of new depositors. [108] The name of each depositor is written on each page and the line upon which his name appears represents his account for a period of one week. [109] At the beginning of each week, unless the names are printed, the names are re-written and the balances carried forward. [110] In some banks, however, the leaves following the first record of names are cut some two inches narrower, so that when a leaf on the right is turned over on to the left-hand page the names are not covered, and the record may be continued without re-writing the names, except upon the first of each month or quarter. (*See form of Individual Ledger, pages 226, 227.*)

[111] At the close of banking hours each day, every customer's deposit for the day is added to his balance of the day previous, and from this sum the aggregate of his checks is deducted, and the new balance is extended into the "Balance" column. [112] Each column is then footed, excepting that devoted to "Checks in Detail," and in case there are more than one page of accounts, the footings are carried forward so that the final footings shall exhibit the total amount of checks paid and the total amount of deposits for the day, as well as the aggregate of balances of depositors accounts. [113] The footing of the column of "Total Checks" is carried to the debit of Deposits on the right-hand side of the Journal, and the footings of the column of "Deposits," to the credit of Deposits on the left-hand side of the Journal.

LEDGER.

THURSDAY, DEC. 15, 189–.				FRIDAY, DEC. 16, 189–.				SATURDAY, DEC. 17, 189–.				NAME.
Checks in Detail.	Total Checks.	Deposits.	Balance.	Checks in Detail.	Total Checks.	Deposits.	Balance.	Checks in Detail.	Total Checks.	Deposits.	Balance.	
211 61 63 84 1250 00	1525 45		6976 51				6976 51				6976 51	Adams, John.
675 00	675 00	2250 00	27131 41	365 00 2000 00 183 71 675 00	3223 71	2187 55	26095 25	1500 00	1500 00	d 3243 50 651 71	28490 46	Brown, H. J.
1256 88 5000 00	6256 88	575 00	2506 86			4000 00	6506 86	69 35 476 62	545 97	d 1841 38	7802 27	Davis, C. W.
175 00 86 40 1000 00	1261 40	1900 00	21665 52	1500 00 794 18 162 35	2456 53	d 2452 72 3500 00	25161 71	118 50 500 00 1896 17	2514 67	d 4790 84 4942 11	32379 99	Jones Mfg. Co.
			1500 00				1500 00				1500 00	Certificates of Deposit.
			1000 00				1000 00				1000 00	Certified Checks.
				748 37	748 37	d 748 37						Cashier Account.
												TRANSIENT ACCOUNTS.
												Long, H. S.
	20502 87	21933 44	209792 74		13888 24	24365 42	220269 92		11756 50	27292 97	235808 41	
											2 02	*(Overdrafts in red ink.)*

[114] The advantages of this form of Ledger are: first, the paying teller can more readily ascertain the condition of a depositor's account; second, the necessity for writing all the names on both sides of the Journal every day is obviated; and, third, the book-keeper has forty or more accounts before him at once, instead of being required to consume a large part of the time turning from one account to another.

The New York Draft Register.—[115] In this book is kept, in detail, the account between the bank and its New York correspondent. [116] On the left-hand page are entered all remittances to the Chemical National Bank for its credit, with the number of the draft or check, the bank or person by whom drawn, the bank or person on whom drawn, and the amount. [117] On the right-hand page are recorded all drafts drawn by the bank on the Chemical National Bank, with the number, the name of the person, bank or firm in whose favor made, the amount of Collection and Exchange and the face of each draft. (*See New York Draft Register, page 224.*) [118] This book is balanced every day and the balance brought down, and while an account is kept in the General Ledger with Chemical Bank, simply to show in the quarterly statement all the resources and liabilities of the bank, yet this book represents the current condition of the account with Chemical Bank and is the account consulted when information is wanted regarding the business with the bank. [119] The aggregate of the remittances to Chemical National Bank for the day is charged to that bank on the right-hand side of the Journal, [120] and the aggregate of the drafts made on Chemical National Bank during the day is credited to that bank, on the left-hand side of the Journal. [121] The footing of Collection and Exchange column in this book is credited to Collection and Exchange account on the left-hand side of the Journal. [122] If it is deemed desirable this book may be divided into two books as in the case of the Journal, [123] one devoted to remittances made to our correspondent in New York City (or other commercial center) and the other to the drafts drawn by us upon such correspondents.

Discount Register.— [124] This book is a book of original entry and becomes the basis for all transactions involving Bills Discounted. [125] It contains a complete record of all paper discounted by the bank, which record is made at the time the paper is discounted. [126] The Amount, Discount, Collection,

DISCOUNT

When Dis.		No.	Maker.	Endorser.	Page of B. B.	Where Payable.	Date.	
Dec.	12	555	Harwood Bros.	W. F. Johnson.	13	Union Bank.	Dec.	12
		556	Ham & King.	Jones Mfg. Co.	17	West's Bank, Livonia.		11
Dec.	13	557	L. W. Gray.	J. H. Woodward,	19	Second National, Lyons.	Dec.	13
		558	Payne & Harris.	C. W. Davis.	20	Union Bank.		7
		559	Henry L. Fowler.	H. Sibley.	15	Our Bank.		2

COLLECTION

When Left.		No.	Payer.	Endorser.	Where Payable.	To Whom Sent.
Dec.	12	919	Samuel Wallace,	J. E. Hill,	Our Bank,	
		920	Union Bank,	D. B. Jones,	Our Bank,	
		921	C. W. Davis,	Jas. Brackett,	Our Bank,	
		922	Our Bank,	Klem & Co.,	Our Bank,	
		923	J. W. Mead,	Jones Mfg. Co.,	Lyons,	Monroe Co. Nat'l,
		924	W. G. Shaver,	D. J. Slocum,	Canton,	Farmers, Canton,
		925	P. A. Wood,	J. H. Woodward & Co.,	Kingston,	Tra. Nt'l, K'gston
		926	First Nat'l, Newport,	Case & Weaver,	Newport,	3rd Nt'l, Newport,
		927	J. L. White,	R. L. Mason,	2nd Nat'l, Rockford,	1st Nt'l, Rockford,
		928	D. J. Dudley,	Michael Kauffman,	Bath,	

and Exchange, and Proceeds columns are footed each day and ruled as illustrated. (*See Discount Register, pages 228, 229.*)

[127] The footing of the Total column represents the total amount of paper, at its face value, bought during the day; the Proceeds column represents the total cost, and the difference between the two amounts represents the amount charged by the bank for discount, collection, and exchange, which amount is shown by the footings of the Collection and Exchange and Discount columns. [128] The footing of the "Amount" column is charged to Bills Discounted on the right-hand (or paying out) side of the Journal and checked in the Discount Register. [129] On the left-hand (or receiving) side of the Journal, Discount, Collection and Exchange are credited for the footings of the Collection and Exchange columns. The items in the Proceeds column in the Discount Register are posted in the Deposits column of the Individual Ledger and then carried to the left-hand side of the Journal, together with other deposits, in one total. [130] Excepting where paper is discounted for cash, each party whose name appears in the "For Whom Discounted" column is credited in the "Deposits" column of the Individual Ledger for the proceeds of the paper discounted (*see explanation of Individual Ledger, page 232*) as shown by the amount in the "Proceeds" column of the Discount Register. [131] The amount when so transferred is checked, using as a check either the page in the Individual Ledger on which the depositor's name is entered or the numerical system, which consists in giving each depositor a number from one to the total number of depositors and entering the depositor's number as a check mark.

[132] For paper discounted for cash, a Cashier's check is given by the Discount clerk to the party selling the paper. This check is cashed by the Teller and entered to the debit of Cashier's account in the "Checks in Detail" column of the Individual Ledger. For these cash purchases the word Cash is entered after the parties' names and the items are credited to Cashier's account in the Individual Ledger.

[133] The entries in the Discount Register are numbered consecutively. [134] All paper is carefully

REGISTER.

Time.	When Due.		Face of Paper.		Discount.		Coll. & Ex.		Proceeds.		Tickler Check.	For Whom Discounted.	Post'g Check.	Rem'ks.
15 da.	Dec.	30	2000	00	6	00			1994	00	✓	W. F. Johnson.	✓	
10 da.		24	1750	00	3	79	3	19	1743	02	✓	Jones Mfg. Co.	✓	
			✓3750	00	✓ 9	79	✓ 3	19	3737	02				
15 da.	Dec.	31	500	00	1	50	1	13	497	37	✓	J. H. Woodward.	✓	
15 da.		25	1620	00	3	24			1616	76	✓	C. W. Davis.	✓	
30 da.	Jan.	4	450	00	1	65			448	35	✓	Henry L. Fowler.	✓	Cash.
			✓2570	00	✓ 6	39	✓ 1	13	2562	48				

REGISTER.

Date.	Time.	When Due.	For Whom Collected.	Face.		Check. T.orCr.	Check. Paid.	Remarks.
Dec. 12	Sight,		Monroe Co. National Bank,	211	92	✓	✓	Credited.
" 9	Sight,		Clinton National Bank,	865	70	✓	✓	Credited.
Nov. 13	30 da.	Dec. 16	Farmers, Canton,	Int. 1250	00	✓		
Dec. 9	Sight,		Drummond's Bank, Pittsford,	4500	00		✓	Remit'd N. Y. dft.
" 12	Sight,		Ourselves,	423	34	✓		
" 12	Sight,		D. J. Slocum,	193	42			Returned.
" 12	Sight,		J. H. Woodward,	345	23	✓	✓	Credited.
" 10	Sight,		Case & Weaver,	583	75	✓	✓	Credited.
Oct. 14	2 mo.	Dec. 17	R. L. Mason,	285	00			
Dec. 12	Sight,		M. Kauffman,	322	15	✓	✓	Credited.

classified with reference to its maturity so that it may be protected by protest if not paid. This is done by recording each paper by number, name, amount and when legally due in the Discount Tickler under the date of maturity. [135] When so transferred a check mark is made in the Discount Register in the column headed "Tickler Ck." [136] In case the paper is dishonored and protested the word "Protested" is written opposite the record of it in the "Remarks" column of the Discount Tickler, and such other particulars regarding the matter as may be important.

Discount Tickler.—[137] As explained above, in this book are entered all the discounted notes or bills, arranged with reference to their maturity. [138] The sphere of the Discount Tickler is to insure the presentation of paper for payment at the proper time.

[139] **The Dealers Bill Book,** sometimes called "Individual Liabilities," is designed to show in convenient form the amount of discounted paper carried by the bank for each customer. [140] A title page is given to each dealer and the record is compiled from the Discount Register. [141] The book is divided into columns as follows: Commencing on the left there are consecutively given the "Date Discounted," "Number" (which is the consecutive number in the Discount Register), "Other Parties Liable," "Liable as Endorser," "Liable as Payer," "When Due," and "Remarks." [142] Sometimes the dealer's name is the one written at the head of the page, but the rule is to write the name on the strength of which the paper was bought. [143] The book is indexed so that ready reference may be had and the amount on hand, if any, may be ascertained. [144] Some banks observe a very strict record regarding the customers from whom they buy paper. [145] A record is compiled not only like the above for each dealer, but a page is set apart upon which are posted the mercantile reports, synopsis of letters pertaining to the character of the house, opinions of business men regarding the dealer's standing, etc. [146] This record is carefully compiled from day to day. As fast as paper is paid it is marked "Paid" in the Remarks column.

DISCOUNT TICKLER.

DECEMBER 12, 189–.

No.	Payer.	Endorser.	Where Payable.	To Whom Sent.	Amount.	Ck	Remarks.
500	W. F. Johnson,	James Brackett,	Our Bank,		12000 00	√	P. & E.
501	Robert Vaughn,	Lord & Barrett,	Union, City,		2540 18		
			13				
502	H. W. Glass,	Wm. Raymond,	Brown & Co., Canton,	Farmers, Lincoln	785 00	√	Protested. P. & E. 29th.
503	L. W. Davis,	Thos. H. Wilson,	Exchange, City,		3250 00		

COLLECTION TICKLER.

DECEMBER 12, 189–.

No.	Payer.	Where Payable.	To Whom Sent.	For Whom Collect'd.	Amount.	Ck	Remarks.
833	Arthur Ranney,	Lincoln,	Farmers Bank,	L. J. Farnham,	1215 00		
834	Jacob Hoekstra,	Exchange, City,		S. H. Lowe,	918 30	√	Returned.
835	A. M. Hastings,	Yonkers,	Exchange,	W. F. Johnson,	856 62		
			13.				
837	Chas. F. Ham,	Clyde,	Monroe Co.,	Stillman & Moore,	318 20	√	P. & E.
872	Harvey Brown,	Union, City,		Henry D. Wilson & Co.,	942 17		Protested.
886	James Angle,	Our Bank,		Traders National,	1400 00		

Collection Register.—[147] This book is designed to contain a record of all paper left at the bank for collection, that which is received from abroad for collection, and of all sight paper, payable abroad, received as cash. (*See Collection Register, page 228.*) [148] Being the book of original entry for such paper, the paper is recorded by consecutive numbers. [149] The record of the time paper is then transferred to the Collection Tickler, and when so entered a check mark is made in the column headed "Tickler and Cr. Check" of the Collection Register. [150] All sight paper received from abroad is at once presented for payment, and if paid it is checked in the "Paid" column of the Collection Register. [151] Paper received from a regular correspondent, if paid, is credited to such bank in the Journal and checked in the column headed "Tickler and Cr. Check" of the Collection Register. [152] The proceeds of all paper received from other than regular correspondents are remitted in draft on Chemical National Bank, and when so remitted a memorandum to that effect is made in the "Remarks" column of the Collection Register and the draft is entered in the New York Draft Register.

[153] All checks and sight drafts payable abroad, received as cash, are entered in this book and charged in the Journal to the accounts of the banks to which they are sent for collection. [154] When so charged they are checked in the "T. and Cr. Check" column. All paper payable abroad, received as cash, is charged immediately to the banks where sent for collection.

[155] **The Collection Tickler** contains a record of all time paper left with the bank for collection, and is compiled from the Collection Register. [156] Like the Discount Tickler all transfers to the Collection Tickler are arranged according to the date of the maturity of the paper. [157] At the beginning of the year a new book is gotten up with printed headings for every week-day of the year; as, "Wednesday,

DEALERS BILL BOOK.

JONES MANUFACTURING COMPANY.

WHEN DISCOUNT'D		NO.	OTHER PARTIES LIABLE.	DISCOUNTED FOR HIM.		LIABLE AS PAYER.		LIABLE AS ENDORSER.		WHEN DUE.		REMARKS.
189–. Dec.	12	556	Ham & King,	1750	00			1750	00	Dec.	24	

HENRY L. FOWLER.

Dec.	13	560	H. Sibley,	450	00	450	00			Jan.	4	

Jan, 1st, 1890," etc., one-half of a double page usually being given to each day of the week from Monday to Saturday. [158] On each page are ruled columns headed "For Whose Acct.," "Payer," "When Payable," and "To Whom Sent." [159] A record so kept enables the bank to demand payment promptly on the date of maturity, and if not paid to protest same and notify the endorsers as provided by law. [160] The Collection and Discount ticklers are consulted at the beginning of each day's business, when it can be seen just what paper demands attention. [161] All collections are sent to the bank where made payable or to the correspondents of the bank, except in cases where a long time is to elapse before maturity. [162] But even in case of long time paper such collections should be sent several days before maturity that due notice may be sent the payer by the bank where payment is to be made.

Stock Ledger.—[163] This book contains an account with each stockholder, in which he is credited for all stock paid for, and debited with all stock transferred to other parties. This book is kept by the Secretary or Cashier and therefore is not used here in the memoranda.

[164] **Collection Paper** is paper received by a bank for collection on account of its depositors, correspondents and others. Such paper does not become the property of the bank as the bank only acts as agent for the owners, charging a fee for its services, called "Collection." The making of collections is an important part of the banking business, and the one which illustrates forcibly the utility of banks. Paper for collection must be drawn or endorsed so that the bank can make the collection.

[165] When paper is received for collection, the bank clerk marks on each note or time draft the date of its maturity. This is called "timing."

[166] All paper received for collection, wherever payable and of whatever kind, is entered in the Collection Register. [167] If it is time paper it is also entered in the Collection Tickler and checked in the Tickler Check column in the Collection Register to show that it has been entered in the Tickler. Every entry is numbered in the Collection Register and the Collection Register number is written on the paper itself, usually in red ink.

[168] Paper from abroad received for collection, if payable at sight, is collected and checked in the "Paid" column in the Collection Register, and credited in the Journal to the bank from whom it was received, and again checked in the Tickler check column to show that it had been so credited. The "Tickler Check" column thus serves the double purpose of checking sight paper when credited and time paper when entered in the Tickler.

[169] After paper received for collection, payable abroad, has been entered in the Collection Register, if time paper, it is also entered in the Collection Tickler and checked in the Tickler Check column, and sent to the place where it is payable for collection.

[170] There is no uniform rate of charges for collecting paper, the amount charged being largely governed by circumstances; that is, the place where payable, the amount of the paper and the business relations with the customer.

[171] No charge is made for collecting paper payable in the city received from banks which are regular correspondents, nor do such banks make a charge in similar cases. [172] The accommodation is reciprocal.

The bank that received the paper for collection usually makes a charge to the party for whom the collection was made, whether or not a charge was made to the bank for collecting the paper. [173] When a charge is made by a correspondent of the bank for making a collection this charge is included in the bank's charges to the party for whom the collection is made.

[174] If paper payable abroad is collected by a bank not a regular correspondent the proceeds are usually remitted by New York draft. [175] If the collection is made by a regular correspondent the proceeds are credited, and a notice is usually sent to that effect.

[176] Sight paper received from abroad, drawn on a depositor, is presented to the drawee, who pays it either by giving a check for the amount, or by accepting it payable at the bank. This is not an "acceptance" in the usual sense, but an order on the bank to pay the amount specified in the draft.

[177] **Discount Paper** includes all time paper discounted or bought by the bank. Such paper is called Bills Discounted, which is the same as Bills Receivable. Unlike collection paper discounted paper is the property of the bank, and when it is paid Bills Discounted account is credited for the amount of such paper. [178] In addition to the discount on discounted paper payable abroad, charges are usually made for collection and exchange. As the proceeds of each note must be collected and remitted to the bank discounting the paper, if it is collected by a bank not a regular correspondent, the cost of exchange will be deducted, in addition to the charge for collection. [179] Were it not for the reciprocal arrangement for mutual services, like charges would be made by the bank's correspondents. Thus it will be seen that the charges for collection and exchange made the party for whom the paper is discounted, are for services rendered by the bank or its correspondents. [180] When discounted paper payable at the bank where it is discounted, falls due, it is charged direct to the account of the makers if their account is good for it. Previous notice is, however, always sent of the maturity of such paper. [181] Some banks require that such paper be taken up or "lifted," as it is called, by check.

[182] When paper is discounted for a regular depositor, he is usually credited in account with the proceeds. [183] If the party is not a regular depositor, the amount of the proceeds is paid him in cash. [184] In transactions of this kind, the person for whom the paper was discounted is furnished a check signed by the cashier, called a "Cashier's Check," which is immediately cashed by the paying teller and placed among the checks and charged to "Cashier Account." [185] Cashier account is credited for this amount from the Discount Register. [186] This check is drawn for the purpose of serving as a voucher of the transaction, and is used for the accommodation of the bank.

Sight Paper Deposited.—[187] All sight paper deposited becomes the property of the bank and is treated as cash. [188] When this paper is sent away to be collected, the banks to which it is sent are charged for the amount of it at the time it is sent, instead of at the time it is collected, as in the case of sight paper received for collection. [189] Whether received for collection or on deposit, all sight paper is entered in the Collection Register.

Directions for using the Individual Ledger.—[190] Write the names of the depositors in alphabetical order, and Certificates of Deposit, Certified Checks, Cashier and the transient accounts beneath, on the left of the left-hand page and on the right of the right-hand page, being particular to put each name on the same line on each page. [191] Enter the balance of each account in the "Balance" column, opposite the depositor's name. [192] Enter each customer's checks paid during the day in the "Checks in Detail" column, opposite his name, [193] and extend the aggregate of such checks to the "Total Checks" column. [194] Enter each customer's deposit in the "Deposits" column, [195] and also any collection made for him, from the Collection Register or Collection Tickler, [196] and the proceeds of paper discounted for him, not paid in cash, from the Discount Register. [197] Enter the proceeds of discounted paper that was paid in cash also in the "Deposits" column, opposite "Cashier Account." [198] Add each customer's deposit for the day to the last balance of his account, and from that sum deduct the amount of his checks. [199] The difference will show the present balance of his account, and will be extended into the next "Balance" column, opposite his name. [200] When the account is overdrawn, enter the amount of the "overdraft" in *red ink*.

[201] When the balances of all the accounts have been entered as directed, add the "Total Checks," "Deposits" and "Balance" columns.

[202] To prove the correctness of this work, find the difference between the total checks and deposits for the day. [203] This difference will equal the difference between the total balances of the day and the

total balances of the day previous. [204] If the "Balance" column contains both black and red ink entries, foot first the black and then the red ink amounts, and place the footings at the bottom of the column in corresponding ink, and exhibit the difference beneath, which difference will be the amount due depositors.

[205] The footing of the "Total Checks" column is debited to deposits in the Journal, and the footing of the "Deposits" column is credited to deposits in the Journal.

[206] As depositors are credited in the Individual Ledger with the proceeds of paper discounted for them, and Deposits account is credited in the Journal for the amount of the deposits, it will be necessary to carry the other results of the Discount Register to the Journal as well, in order that the Journal may show the correct balance of cash. Bills Discounted should, therefore, be debited and Collection and Exchange and Discount credited in the Journal each day for the footings of those columns in the Discount Register.

RESOURCES AND LIABILITIES

OF THE

SECOND NATIONAL BANK.

The General Ledger of the Second National Bank exhibits the following balances of accounts at the close of business, Saturday, Dec. 24th, 189–.

DEBIT BALANCES.				CREDIT BALANCES.			
Cash,	2	32348	92	Capital Stock,	1	100000	00
United States Bonds,	3	50000	00	Circulation,	4	45000	00
Real Estate,	5	8000	00	Deposits,	9	134927	13
Furniture and Fixtures,	6	2500	00	Discount,	11	3483	71
Expense,	7	1683	19	Collection and Exchange,	12	1219	18
National Park Bank, New York, (approved reserve agent),	8	16523	85	Surplus Fund,	21	11750	63
Chemical National Bank, New York,	13	46275	13	Undivided Profits,	24	2718	42
Bills Discounted,	10	123767	10				
Wayne Co. National Bank, Lyons,	16	3846	11				
Geo. K. Warren & Co., Bankers, Bath,	14	1786	51				
First National Bank, Rockford,	15	2870	97				
Norwich National Bank, Norwich,	23	814	02				
Farmers Bank, Canton,	17	386	07				
Third National Bank, Newport,	18	1287	19				
Exchange National Bank, Bristol,	19	3876	24				
Traders National Bank, Kingston,	20	883	77				
Redemption Fund with U. S. Treasurer (5% on circulation),	22	2250	00				
		299099	07			299099	07

(Open accounts in the General Ledger with the above balances, as you would if you were opening a new Ledger in any other business, and open them in the order indicated by the number placed before each account. Give the accounts numbered 3, 4, 5, 6, 21, 22, 23 and 24, one-fourth of a page space, and all of the others one-half a page each. Also place the balance on deposit in Chemical Bank in the New York Draft Register, as illustrated on page 224.)

The General Ledger used in this set is the ordinary form of Ledger. Some banks, however, use a form of General Ledger similar to the Individual Ledger illustrated on pages 226 and 227.

The following are the balances of depositors' accounts, as shown by the Individual Ledger. It will be observed that the aggregate of these credits is the same as the amount credited to Deposits account in the General Ledger.

(*Credit each depositor, in the Individual Ledger, with the amount opposite his name. See directions for the keeping the Individual Ledger, page 232.*) (*Arrange the accounts in alphabetical order.*)

W. F. Jameson,	12486	18	(*Credits continued*)		
Chas. J. Burke,	9173	11	Forward,	82147	08
R. L. Mason,	8452	09	Maxwell Day,	5946	25
D. J. Slocum,	2483	74	Samuel Wilder,	7216	07
Stillman & Moore,	12293	81	L. J. Farnsworth,	4388	28
Jas. Angle,	4817	04	Bingham, Field & Ward,	8343	86
Thomas H. Wilson,	8117	93	Benj. Thomas & Son,	9963	26
Ray Brothers,	7483	54	Lord & Bennett,	6861	98
Meyer & Kauffman,	6411	31	T. J. & W. E. Upton,	8298	16
Johnson Manufacturing Company,	6943	67	Certified Checks,	1762	19
Wm. Raymond,	3484	66			
			Total,	134927	13
Forward,	82147	08			

The following discounted paper, aggregating the amount debited to Bills Discounted account in the General Ledger, in possession of the bank at this date, should be shown by the Discount Tickler. (*See form of Discount Tickler, on page 230. Enter this discounted paper in the Discount Tickler, each item under its date of maturity. Write the dates in order in the Discount and Collection Ticklers, entirely through these books, omitting Sundays and holidays.*)

Since there is no entry or check mark to be made in the Discount Register at the maturity of paper, it is not necessary for you to enter paper on hand at this date in your Discount Register. In business such paper would, of course, be entered in the Discount Register and Discount Tickler at the time it was discounted. All paper maturing on Sundays or holidays should be entered under the date of the first business day following. The statutes of the various States are not uniform in regard to the time of payment of paper maturing on Sundays and holidays.

No. 489. Note of H. Whitaker, at 30 days from Nov. 23d, indorsed by D. J. Slocum, payable at Second National Bank, Lyons, for 1500.00. Sent to Wayne County National. (*Discount Tickler, see page* 230.)

No. 486. Note of H. C. Decker, at 90 days from Sep. 24th, indorsed by Wm. Raymond, payable at Exchange Bank, City, for 8750.00.

No. 488. Note of W. S. Chapin, indorsed by W. W. Wheeler, at 2 months from Oct. 23d, payable at Woodruff's Bank, Livonia, for 500.00. Sent to Woodruff's.

No. 487. Note of Maxwell Day, indorsed by Burt, Brace & Co., at 1 month from Nov. 24th, payable at our bank, for 10000.00

No. 483. Note of A. O. Bunnell, indorsed by Joseph Cone, at 3 months from Sept. 24th, payable at Exchange Bank, Dansville, for 10500.00. Sent to Exchange Bank.

No. 485. Note of A. M. Hastings, indorsed by Samuel Wilder, at 6 months from June 25th, payable at Union Bank, City, for 5000.00.

No. 484. Note of W. T. Tinsley, indorsed by J. A. Munson and Meyer & Kauffman, at 30 days from Nov. 25th, payable at Wayne Co. National Bank, Lyons, for 7500.00. Sent to Wayne Co. Nat'l.

No. 482. Note of H. Bancroft, indorsed by Samuel Wilder, at 3 months from Sept. 25th, payable at our bank, for 9000.00.

No. 499. Note of J. Wilson & Co., indorsed by Lord & Bennett, at 60 days from Oct. 26th, payable at our bank, for 15000.00.

No. 494. Note of P. J. Smith, indorsed by Ray Bros., at 4 months from Aug. 26th, payable at Third National Bank, Newport, for 7200.00. Sent to Third National.

No. 496. Note of Johnson Mfg. Co., indorsed by Freeman Clarke, at 90 days from Sept. 27th, payable at our bank, for 3000.00.

No. 495. Note of R. L. Mason, indorsed by P. J. Moore, at 1 month from Nov. 27th, payable at our bank, for 5000.00.

No. 491. Note of D. W. Smith & Co., indorsed by Jas. Angle, at 6 months from June 27th, payable at Union Bank, City, for 2876.90.

No. 493. Note of L. J. Pratt & Co., indorsed by Jas. Angle, at 30 days from Nov. 27th, payable at Exchange Bank, City, for 1500.00.

No. 492. Note of Bingham, Field & Ward, indorsed by C. D. Cox, at 90 days from Sept. 29th, payable at our bank, for 2150.00.

No. 498. Accepted draft of P. Wise & Son, indorsed by Bingham, Field & Ward, at 10 days from Dec. 18th, payable at Second National Bank, Palmyra, for 1800.00. Sent to Second National.

No. 497. Note of Creed & Wilson, indorsed by Ray Bros., at 3 months from Sept. 28th, payable at Union Bank, City, for 2500.00.

No. 490. Note of Brown & Wood, indorsed by Benj. Thomas & Son, at 60 days from Oct. 29th, payable at Third National Bank, Newport, for 1750.00 Sent to Third National.

No. 503. Note of W. F. Jameson, indorsed by James Brackett, at 30 days from Nov. 30th, payable at our bank, for 12000.00.

No. 505. Note of Robert Vaughan, indorsed by Lord & Bennett, at 2 months from Oct. 29th, payable at Union Bank, City, for 2540.18.

No. 504. Note of H. W. Glass, indorsed by Wm. Raymond, at 2 months from Oct. 31st, payable at Brown & Co.'s Bank, Canton, for 785.00. Sent to Farmers.

No. 500. Note of L. W. Davis, indorsed by Thos. H. Wilson, at 4 months from Aug. 31st, payable at Exchange Bank, City, for 3250.00.

No. 502. Note of Meyer & Kauffman, indorsed by Nelson James, at 2 months from Nov. 1st, payable at our bank, for 4500.00.

No. 501. Note of Knapp & Peck, favor of Meyer & Kauffman, at 60 days from Nov. 2d, payable at First National Bank, Auburn, for 3879.60. Sent to First National.

No. 506. Note of L. W. Brigham, indorsed by Samuel Wilder, at 3 months from Oct. 2d, payable at Farmers Bank, Canton, for 1285.42. Sent to Farmers.

The following paper is in possession of the bank at this date for collection for other parties, as shown by the Collection Tickler. (*See form of Collection Tickler, on page 230. Enter this paper in the Collection Tickler, each item under its date of maturity.*)

Since there is no entry to be made in the Collection Register when the paper matures, excepting to check sight paper when it is paid and credited, you need not enter this paper in your Collection Register.

No. 819. For R. L. Mason, accepted draft at 10 days from Dec. 13th, on J. H. Wing, Lyons, for 584.75. Sent to Wayne County National.

No. 825. For Stillman & Moore, accepted draft at 3 days from Dec. 20th, on Porter Farley, Canton, for 1250.00. Sent to Farmers.

No. 823. For Thos. H. Wilson, John B. Sage's note, at 30 days from Nov. 24th, payable at Geo. K. Warren & Co.'s Bank, Bath, for 817.00, with interest. Sent to Geo. K. Warren & Co.'s. (*Write Int. over the amount in C. T.*)

No. 824. For Meyer & Kauffman, Henry A. Strong's note, at 2 months from Oct. 24th, payable at Union Bank, City, for 215.00.

No. 821. For Wm. Raymond, accepted draft on W. D. McGuire, at 10 days from Dec. 14th, payable at Norwich, for 368.90. Sent to Norwich National.

No. 822. For Samuel Wilder, accepted draft on E. F. Woodbury, Newport, at 60 days from Oct. 26th, for 63.92. Sent to Third National.

No. 820. For Bingham, F. & W., J. E. Booth's note, at 1 month from Nov. 25th, payable at Canton Savings Bank, for 216.25. Sent to Farmers.

No. 829. For Ray Brothers, P. Ford's note at 30 days from Nov. 25th, payable at Rockford County Bank, with interest, for 1483.50. Sent to First National. (*Write "Int." over the amount in C. T.*)

No. 828. For Lord & Bennett, J. M. Harrison's note, at 3 months from Sep. 26th, payable in Bristol, for 1500.00. Sent to Exchange National.

No. 827. For Chas. J. Burke, accepted draft on R. S. Kenyon, at 2 months from Oct. 26th, payable in New York, for 957.65. Sent to Chemical.

No. 826. For D. J. Slocum, A. L. Mabbett's note, at 3 months from Sep. 26th, payable at Lyons, for 88.40. Sent to Wayne County National.

No. 834. For Jas. Angle, J. L. Townsend's note, at 60 days from Oct. 27th, payable at Bath, for 396.15. Sent to Geo. K. Warren & Co.'s.

No. 833. For Johnson Manufacturing Co., accepted draft on F. W. Clark, Norwich, at 3 days from Dec. 24th, for 911.13. Sent to Norwich National.

No. 832. For Maxwell Day, Ward Kelly's note, at 6 months from June 27th, payable at Union Bank, City, for 1350.00.

No. 831. For L. J. Farnsworth, accepted draft on Arthur Ranney, at 1 month from Nov. 28th, payable in Canton, for 1215.00. Sent to Farmers.

No. 830. For S. H. Lowe, Jacob Hoekstra's note, at 6 months from June 28th, payable at Exchange Bank, City, for 918.30:

No. 835. For F. W. Jameson, accepted draft on A. M. Hastings, Yonkers, at 10 days from Dec. 18th, for 856.62. Sent to Chemical.

In case paper is payable where a regular correspondent can collect it more easily than you can, it is better to send it to such correspondent. This explains why No. 835 was sent to Chemical Bank, New York.

No. 836. For R. L. Mason, L. S. Fulton's note, at 2 months from Oct. 28th, payable in Lyons, for 126.90. Sent to Wayne County National.

MEMORANDA OF TRANSACTIONS FOR DECEMBER.

The following transactions are not to be copied but are to be entered in the various books as indicated.

DECEMBER 26, 18—.

Discount No. 486, note of H. C. Decker of 8750.00, has been paid. (*Mark this Paid & Entered, or P. & E., in the Discount Tickler, and credit Bills Discounted in the Journal, short extending the amount, that is: writing it inside as illustrated on page 224, as there may be other Bills Discounted to be credited, and in this manner several may be entered on one line and extended in total at the close of the day.*) Received the following paper for collection:

No. 837. For R. L. Mason, sight draft on L. W. Wooden, Nyack, for 432.50. Sent it to Chemical Bank. (*C. R. See 147 to 162, page 230, and 164 to 176, page 231.*

No entry, except in Collection Register, is required until notice has been received of the disposition of the paper.

No. 838. For Stillman & Moore, note of L. F. Chappell, at 3 months from Oct. 9th, for 1250.00, payable at Second National Bank of Lyons. Sent to Wayne Co. National Bank, Lyons. (*C. R. and C. T.*)

In entering in Tickler remember to add the three days of grace.

No. 839. For G. H. Perkins, sight draft on W. B. Murdock, Canton, for 926.18. Sent to Farmers Bank, Canton. (*C. R.*)

No. 840. For Jas. Angle, note of David A. Welles, at 30 days from Nov. 26th, for 750.00, with interest, payable at Union Bank, City. (*C. R. and C. T.*)

No. 841. For T. J. & W. E. Upton, sight draft on Daniel Boody, Hoboken, for 119.75. Sent to Chemical Bank. (*C. R.*)

No. 842. For Samuel Wilder, accepted draft on Wm. Haynes, Norwich, at 10 days from Dec. 22d, for 1842.11. Sent to Norwich National Bank. (*C. R. and C. T.*)

No. 843. For Wm. Raymond, sight draft on Peter Bradley, Rockford, for 143.90. Sent to First National Bank, Rockford. (*C. R.*)

Discounted the following paper:

No. 507. For Chas. J. Burke, note of J. D. Winslow, at 30 days from this date, payable at Exchange Bank, City, for 858.90. Discount, 4.72. Proceeds credited. (*D. R., D. T. See 124 to 138, page 227, and 177 to 185, page 232. See forms on pages 228 and 230.*)

No. 508. For D. J. Slocum, note of H. Whitaker, at 30 days from Dec. 24th, payable at First National Bank, Lyons, for 1250.00. Proceeds credited and note sent to Wayne County National Bank for collection. Discount, 6.46; collection, 1.00; exchange, 1.56. (*D. R., D. T.*)

No. 509. For Samuel Wilder, note of A. M. Hastings, at 10 days from this date, payable at Union Bank, City, for 3875.00. Discount, 8.40. Proceeds credited. (*D. R., D. T.*)

No. 510. For Johnson Mfg. Co., their note at 30 days from this date, indorsed by Freeman Clarke, payable at our bank, for 5000.00. Discount, 27.50. Proceeds credited. (*D. R., D. T.*)

The following drafts on New York were received among the deposits, and have been sent to Chemical Bank, New York, for our credit: No. 234, First National of Dayton, on Shoe & Leather, 2875.00; No. 1851, Commercial of Corning, on Metropolitan, 542.75; No. 753, City Bank of Holley, on Broadway, 37.20; No. 115, Seward's of Auburn, on Chemical, 1123.14; No. 1321, Exchange of Geneva, on Third National, 2475.00; No. 4, Steele & Avery, City, on D. Slote & Co., 375.00. (*N. Y. D. R. See form on page 224. See also 115 to 123, page 227.*)

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Drew the following drafts on Chemical Bank: No. 1585, favor Lord & Bennett, 325.10; exch., 50¢. No. 1586, favor Samuel Wilder, 1200.00; exch., 1.50. No. 1587, favor G. W. Cook, 56.15; exch., 15¢. No. 1588, favor Meyer & Kauffman, 2500.00; exch., 3.13. No. 1589, favor Stillman & Moore, 300.00; exch., 50¢. No. 1590, favor Thos. H. Wilson, 10000.00; exch., 12.50. No. 1591, favor W. F. Jameson, 2000.00; exch., 2.50. (*N. Y. D. R.*)

Paid certified check No. 4392. Amount, 384.16. (*I. L. See page 226.*)

The Teller certifies a check presented for certification, provided the maker's account is good for the amount, and places a slip memorandum on a spindle, giving the name of the maker and the amount of the check. The book-keeper debits the depositor for such check from this slip, and credits Certified Checks account. When the check is paid Certified Checks account is debited.

Received the following deposits: Lord & Bennett, 1285.50; Samuel Wilder, 976.00; Johnson Manufacturing Co., 2875.00; Stillman & Moore, 1872.25; Chas. J. Burke, 5460.00; James Angle, 375.00; W. F. Jameson, 926.14; D. J. Slocum, 432.12; Ray Bros., 856.11; Wm. Raymond, 1756.23; L. J. Farnsworth, 493.92; Benj. Thomas & Son, 1250.00; T. J. & W. E. Upton, 2115.00. (*I. L. Enter the above deposits in the "Deposits" column of the Individual Ledger, and the following checks in the "Checks in Detail" column. See form of I. L. page 226.*)

It will be found necessary to write the amounts of checks in very small figures to afford room for all in the space allotted. It is customary in business to leave two or more lines for one account, if it be a very active one involving the entry of more checks than could be entered on one line.

Deposits are entered from Deposit Tickets made out and brought to the bank by the depositors. The teller, after checking the deposits on the Deposit Tickets and examining the footings, places the tickets on a spindle from which the book-keeper takes them and makes the proper entries.

Paid the following checks: Bingham, Field & Ward, 375.00, 926.50, 1000.00; Lord & Bennett, 2118.00, 325.60, 92.15; Samuel Wilder, 2025.00, 37.50, 325.00, 150.00; Wm. Raymond, 200.00, 480.00, 3115.00; Meyer & Kauffman, 4275.00, 85.00; Thos. H. Wilson, 8000.00; Stillman & Moore, 2500.00, 187.50, 300.00; R. L. Mason, 3250.00, 132.00, 247.18; W. F. Jameson, 2000.00, 342.25, 1175.00. (*I. L. See 192, page 282.*)

Collection and Exchange, from Teller's Memorandum, 7.25. (*J. See form of Journal, page 224.*)

The items of Collection and Exchange on sight drafts and foreign checks received on deposit are entered in the Teller's Memorandum at the time the deposits are made, and are either paid in cash by the depositors or deducted from the deposit tickets. Collection and Exchange is credited in the Journal at the end of the day for the sum of such items.

You will now balance the New York Draft Register (*see form on pages 224, 225*), and carry the aggregate of the drafts drawn on Chemical National Bank to the credit of that bank on the left-hand side of the Journal, the footing of the Collection & Exchange column to the Collection & Exchange column on the left-hand side of the Journal, and the aggregate of remittances to Chemical National Bank to the debit of that bank on the right-hand side of the Journal (*see form of Journal, pages 224, 225*). Add and rule the columns in the Discount Register (*see form on pages 228, 229*), and enter the footing of the column containing the amount of paper discounted to the debit of Bills Discounted on the right-hand side of the Journal, the footings of the Discount and Collection & Exchange columns to the credit of those accounts on the left-hand side of the Journal. The items in the Proceeds column should be credited to the parties for whom discounted, in the Individual Ledger, writing the amounts over the deposits in cases where deposits have been made this day, and placing the letter "d" against the amount as illustrated in the form of Individual Ledger shown on page 226. Check each posting in the Discount Register as illustrated on page 229.

Extend the balances of depositors' accounts into the "Balance" column in the Individual Ledger, and foot the column; foot the "Total Checks" and "Deposits" column, and carry the footings to the Journal. (*See 198 to 205, page 232.*) Rule the Individual Ledger at the bottom of the page.

You will also add and rule the Journal, carrying the footings of the Collection & Exchange into the General column. (*See form of Journal on pages 224 and 225.*) Post all the items in the General column on the left-hand page to the credit of the respective accounts in the General Ledger, and the footing of the Collection & Exchange column to the credit of Collection & Exchange account in the General Ledger, and those in the General column on the right-hand page to the debit of the respective accounts. Debit Cash account in the General Ledger with the footing of the left-hand page of the Journal, and credit it with the footing of the right-hand page.

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

DECEMBER 27, 189–.

Received advice from Wayne County National Bank, Lyons, that collection No. 819 has been paid and placed to our credit. (*J. & I. L. Charge W. C. N. Bank. 584.75, and credit R. L. Mason, 584.25, and Coll. and Ex., 50c. Check Paid and Entered, or P. & E. in the Collection Tickler. See 175, page 232.*)

Also, received notice from Farmers Bank, Canton, that collection No. 825 has been paid and placed to our credit. (*J. & I. L. Charge Farmers Bank, 1250.00, in J., and credit Stillman and Moore, 1249.00, in I. L. and Coll. & Exch., 1.00 in J. Check P. & E. in C. T. See 175, page 232.*)

Collection No. 824 has been paid. (*I. L. Credit Meyer & K., 215.00, and check P. & E. in C. T. See 171 and 172, page 231.*)

Discount No. 487 has been placed among the checks, and will be charged to the account of the maker, Maxwell Day, at the close of business for the day. (*J. Check P. & E. in D. T. See 180, page 232.*)

Since this note was made by one of our depositors, and his account is good for the amount, it is only necessary to credit Bills Discounted, 10000.00, at this time, and place the note among the vouchers that are to be charged to depositors. See list of checks paid, below.

Received advice from Wayne County National Bank, that discount No. 489 has been paid and placed to our credit. (*J. Credit Bills Discounted and debit W. C. N. Bank 1500.00, and check Paid and Entered, or P. & E., in the Discount Tickler.*)

Received draft No. 161, on Sixth National Bank, New York, from Woodruff's Bank, Livonia, for proceeds of discount No. 488, less 25¢ collection and 25¢ exchange. (*J. Credit Bills Discounted, 500.00, and debit Coll. & Exch., 50¢.*)

The draft received will be charged to Chemical National Bank, in the N. Y. Draft Register, later in the day, with other drafts received during the day.

Received the paper described below, from the following banks, for collection and credit: From Norwich National Bank, H. B. Cook & Co.'s sight draft for 4150.00, on N. Fisher & Co., City, dated Dec. 26. Presented, collected and credited. (*C. R., J. Credit N. N. Bank, 4150.00, and check in both columns in the Collection Register.*)

From Exchange National Bank, Bristol, D. J. Loomis' check on Union Bank, City, dated Dec. 26, for 493.18. Collected. (*C. R., J. Credit Exchange N. Bank, Bristol, 493.18. See 168, page 231.*)

From Traders National Bank, Kingston, A. B. Wilson's sight draft on Johnson Mfg. Co., dated Dec. 26, for 573.90. Presented, accepted and placed among the checks. (*C. R., J. Credit Traders N. Bank, Kingston, 573.90. See 176, page 232. See list of checks for this date.*)

Received remittances in drafts on New York from the following banks, on account: No. 943, First National of Rockford, on Broadway Bank, for 2500.00; No. 341, Geo. K. Warren & Co., Bath, on Union Trust Co., for 1500.00. (*Credit the banks from which the drafts are received at once, in the Journal, and enter the drafts on the left-hand side of the N. Y. Draft Register, with other drafts, later in the day.*)

The following sight drafts, dated this day, on individuals and firms, received on deposit from our customers, and included in deposits enumerated below, have been sent to our correspondents for our credit:

W. F. Jameson, on D. B. Hill, Lyons, for 225.00. Sent to Wayne Co. National, and charged to their account. (*C. R., J. Debit Wayne Co. National, 225.00. In "For Whom Collected" column in C. R. write "Cash," as this was received as a cash deposit. See 187 to 189, page 232.*)

As this item is included in the amount of W. F. Jameson's deposit mentioned later no entry should be made to his credit at this time.

Johnson Mfg. Co., on P. G. Warren, Bristol, for 2800.00. Sent and charged to Exchange National Bank, Bristol.

Maxwell Day, on D. L. Price & Co., Kingston, for 340.00. Sent and charged to Traders National Bank, Kingston.

Jas. Angle, on A. A. Wildman, Rockford, for 1350.00. Sent and charged to First National Bank, Rockford.

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Discounted the following paper: For Johnson Mfg. Co., P. L. Paine's accepted draft, at 30 days from Dec. 24th, payable at First National Bank, Lyons, for 4325.00. Discount, 21.63; collection, 4.00; exchange, 5.41. Sent to W. C. N. Bank. (*D. R., D. T.*)

For Maxwell Day, D. H. Davis' note, at 3 months from Oct. 23, payable at Woodruff's Bank, Livonia, for 1500.00. Discount, 7.50; collection, 1.00; exchange, 1.88. Sent Woodruff's Bank. (*See 178 and 179, page 232.*)

For Samuel Wilder, Isaac Willis' note, at 60 days from Nov. 18, payable at Farmers Bank, Canton, for 2394.80. Discount, 9.58; collection, 2.00; exchange, 2.98. Sent Farmers Bank.

For Thomas H. Wilson, J. D. Shultz' note, at 30 da. from date, payable at Corning's Bank, Richmond, for 398.50. Discount, 2.19; collection, 50¢; exchange, 50¢. Sent Corning's Bank.

For R. L. Mason, T. G. Lord's note, at 4 months from Sept. 17, payable at Norwich National Bank, for 960.00. Discount, 3.84; collection, 50¢; exchange, 1.20. Sent Norwich National Bank.

Received the following paper for collection: From W. F. Jameson, draft at 10 days from date, on W. L. Peters & Co., Hoboken, for 918.75. Sent Chemical Bank. (*C. R., C. T.*)

From Jas. Angle, note of W. F. Burroughs, at 2 months from Nov. 8, payable at Exchange Bank, City, for 1290.00.

From Ray Bros., note of Miller & Co., at 2 months from Nov. 8, payable at First National Bank, Kingston, with interest, for 482.60. Sent Traders National, Kingston.

From Meyer & Kauffman, draft at 15 days from date on Wendell & Holmes, Canton, for 1194.83. Sent Farmers Bank, Canton.

Certified Lord & Bennett's check for 2500. (*I. L. See note near top of page 237.*)

Drew the following drafts on Chemical Bank: No. 1592, favor Lord & Bennett, 1141.80; exch. 1.00. No. 1593, favor Bingham, F. & W., 132.20; exch., 25¢. No. 1594, favor Wm. Raymond, 437.00; exch., 50¢. No. 1595, favor Johnson Mfg. Co., 6444.00; exch., 6.00. No. 1596, favor Ray Bros., 4496.00; exch., 4.00. No. 1597, favor R. L. Mason, 4246.00; exch., 4.00. (*See 117, page 227.*)

The following drafts on New York, received during the course of to-day's business, have been remitted to Chemical Bank for our credit: No. 161, Woodruff's Bank of Livonia, on Sixth National, 499.50; No. 943, First National of Rockford, on Broadway Bank, 2500.00; No. 341, Geo. K. Warren & Co., Bath, on Union Trust Co., 1500.00; No. 108, Ward's Bank of Union, on Third National, 86.90; No. 347, First National of Butler, on Chemical, 583.11; No. 4043, Second National of Byron, on Broadway Bank, 2586.74; No. 48, Clark's Bank of Warsaw, on Sixth National, 138.18. (*See 116, page 227. See form on page 225.*)

Received the following deposits: T. J. & W. E. Upton, 1175.00; Benj. Thomas & Son, 435.57; Bingham, Field & Ward, 2850.00; Samuel Wilder, 894.13; Maxwell Day, 2948.75; Johnson Mfg. Co., 3480.00; Meyer & Kauffman, 550.00; Thos. H. Wilson, 2294.18; Jas. Angle, 1840.00; D. J. Slocum, 486.78; W. F. Jameson, 1500.00. (*See 194, page 232.*)

Paid the following checks: Bingham, Field & Ward, 132.40, 1892.18, 450.00; Wm. Raymond, 500.00, 437.50, 140.00; Johnson Mfg. Co., 6450.00, 573.90; Maxwell Day (note), 10000.00; Ray Bros., 115.00; 973.62, 4500.00; Thomas H. Wilson, 56.75, 1394.11, 250.00; Stillman & Moore, 7500.00; R. L. Mason, 4250.00, 1400.00; Lord & Bennett, 2500.00, 1142.80, 177.14. (*See 192, page 232.*)

Collection and Exchange, from Teller's Memorandum, 6.94. (*See note, page 237.*)

Paid cash for office stationery, postage, etc., 12.18. (*Expense.*)

Rule, foot, and post as instructed for the previous day.

DECEMBER 28, 189–.

Received advice from Chemical National Bank, New York, that collection No. 841 has been paid. (*Check in "Paid" column of C. R. Charge Chemical Bank in N. Y. D. R., 119.75. Credit T. J. & W. E. Upton, 119.25 in I. L.; Coll. & Exch., 50c., in J. See 173, page 232.*)

Received notice that collection No. 837 has also been paid. (*Charge Chemical Bank, 432.50, N. Y. D. R., and credit R. L. Mason, 432.00, and Coll. & Exch., 50c. See 173, page 232.*)

Received advice from First National, Rockford, that collection No. 843 has been paid. (*Charge First National Bank, Rockford, 143.90. Credit Wm. Raymond, 143.40; Coll. & Exch., 50¢.*)

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Received advice from Geo. K. Warren & Co., Bath, that collection No. 823 has been paid. (*Check P. & E. in C. T. Charge Geo. K. W. & Co., 817.00, and 33 days interest, 4.49; total, 821.49. Credit Thos. H. Wilson, 820.99; and Coll. & Exch., 50c.*)

From Norwich National Bank, that collection No. 821 has been paid and credited. (*Credit Wm. Raymond, 368.40, and Coll. & Exch., 50c.; and charge Norwich National, 368.90.*)

From Farmers Bank, Canton, that collection No. 839 has been paid. (*Open an account with G. H. Perkins on first vacant line in I. L., and credit him 925.68; credit Coll. & Exch., 50c., and charge Farmers Bank 926.18 in J.*)

Received from Exchange National Bank, Dansville, their draft, No. 1486, on Bowery Bank, New York, for 10494.75, proceeds of discount No. 483, less their charge for collection, 5.25. (*J. Check P. & E. in D. T. Credit Bills Discounted, 10500.00, and debit Coll. & Exch., 5.25, in the Journal. The difference represents the draft received, which will be sent and charged to Chemical Bank with others at the close of the day.*)

The Exchange National Bank of Dansville, not being a regular correspondent, charges us one-twentieth per cent. for collecting paper sent them. This charge is about one-half of that made by us to the customer for whom we discounted the note, the difference showing our profit in that transaction from collection alone.

Discounts Nos. 485, 482 and 499, payable in the city, have been paid. (*See 177, page 232.*)

Received the paper described below, from the following banks, for collection and credit: From Geo. K. Warren & Co., Bath, A. L. Underhill's draft on Harvey Brown, dated this day, at 2 days' sight, 942.17. The drawee accepts the draft upon presentation, payable at Union Bank. City. (*C. R., C. T.*)

From First National, Rockford, Brooks & Smith's sight draft on O. W. Lansing, city, 1455.00. Collected and credited to First National Bank, Rockford, 1455.00. (*C. R., J.*)

From Farmers, Canton, S. P. Stevens' sight draft on M. M. Ward, 32.18. Collected and credited to Farmers, Canton, 32.18.

From First National, Belleville, B. T. Jones & Co.'s sight draft on Yeoman & Blake, 411.75. Collected and remitted draft No. 1598 on Chemical Bank for 411.50. Collection, 25c. (*Enter in C. R. only at this time. Enter the collection in the Exchange column in N. Y. D. R.*)

This draft will be entered to the credit of Chemical Bank, in the N. Y. D. R., with others, at close of banking hours, and the collection will be credited to Coll. & Exch. at the same time by being entered in the Exchange column in that book. These entries will be made from the stub of the draft book. Since the First National Bank of Belleville is not a regular correspondent, we make a charge for collecting the foregoing draft, but only one-half of the charge we would make to an individual. No charge for exchange. See list of drafts drawn on Chemical Bank.

Received remittances from our correspondents, on account, as follows: From Wayne Co. National, draft No. 4142, on Fifth National, New York, for 5000.00. From Third National, Newport, draft No. 372, on Bowery Bank, New York, for 1287.19. (*J. Credit the banks making these remittances.*)

These drafts, with others received during to-day's business, will be remitted to Chemical Bank at the close of banking hours, and at that time will be charged to Chemical Bank in the N. Y. D. R.

Remitted our draft, No. 1599, on Chemical Bank, for 3000.00, to Norwich National Bank, on account.

This will be credited to Chemical Bank, with others, at the close of the day. This could be entered in the N. Y. D. R. at once, but these drafts are usually torn from a stub when issued, and are entered in the N. Y. D. R. from the stubs at the close of the day.

The following sight drafts on individuals and firms, received on deposit, have been sent forward for collection and credit: Lord & Bennett, on W. H. Atwater, Lyons, 211.50; sent and charged to Wayne Co. National. Wm. Raymond, on W. Dunn, Corning, 275.50; sent to Livingston's Bank, and charged to Livingston's Bank in Sundry Banks and Bankers accounts. (*See 187–189, page 232.*)

Livingston's Bank not being a regular correspondent, we do not wish to open a separate account with it. We therefore open an account with Sundry Banks and Bankers, and debit that account for the amount of the draft sent Livingston's Bank. Debit Livingston's Bank in the Journal, and place S. B., the initials for Sundry Banks and Bankers, after the entry, and post the item to Sundry Banks and Bankers account in the General Ledger. When the proceeds are received, credit Livingston's Bank for the face of the draft, and post it to the credit of Sundry Banks and Bankers account, on the same line with the debit to Livingston's Bank, and debit Coll. & Exch. in the Journal for the collection.

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Discounted the following paper: For D. J. Slocum, Ward & Cobb's note, at 30 days from date, for 3000.00, indorsed by Jas. Jackson, Jr., payable at Second National Bank, Lyons; sent Wayne Co. National for collection. Discount, 16.50; collection, 3.00; exchange, 3.75.

For Jas. Angle, Young & Baldwin's note for 380.00, at 15 days from date, payable at Union Bank, City. Discount, 1.14.

For L. J. Farnsworth, T. K. Scott's note for 1800.00, at 1 month from 23d inst., payable at Exchange Bank, City. Discount, 8.70.

For Bingham, Field & Ward, Wm. Raymond's note for 1450.00, at 5 days from this date, payable at our bank. Discount, 1.93.

For Meyer & Kauffman, their note at 20 days from this date, for 2000.00, indorsed by W. M. Bond, payable at our bank. Discount, 7.67.

Received the following paper for collection: From D. J. Slocum, his sight draft on Ward & Holmes, Lyons, for 149.44; sent Wayne County National.

From Samuel Wilder, his sight draft on King & Co., Canton, for 856.90; sent Farmers Bank, Canton.

From Chas. J. Burke, his sight draft on Warren & Co., Belfast, for 1492.00; sent First National Bank, Belfast.

From L. W. Perry, his sight draft on Wilson & Caldwell, Newport, for 364.87; sent Third National, Newport.

From Thos. H. Wilson, his sight draft on Nellis & Knox, Rockford, for 182.50; sent First National, Rockford.

Drew the following drafts on Chemical Bank: No. 1598, favor First National, Belleville, 411.50; exch., 25c. No. 1599, favor Norwich National, 3000.00. No. 1600, favor T. J. & W. E. Upton, 400.00; exch., 50c. No. 1601, favor Lord & Bennett, 52.25; exch., 15c. No. 1602, favor Samuel Wilder, 1790.26; exch., 2.24. No. 1603, favor Johnson Mfg. Co., 5992.50; exch., 7.50. No. 1604, favor D. J. Slocum, 74.75; exch., 15c.

Remitted to Chemical Bank, for our credit, the following drafts on New York, received during the day: No. 1486, Exchange National Bank, Dansville, on Bowery Bank, 10494.75; No. 4142, Wayne County National, Lyons, on Fifth National, 5000.00; No. 372, Third National, Newport, on Bowery Bank, 1287.19; No. 1009, First National, Memphis, on Broadway, 63.94; No. 416, Wheeler's Bank, Belleville, on Second National, 489.43; No. 3142, Richmond's Bank, Batavia, on Chemical, 6300.00; No. 113, Ray Bros., on Cook & Lane, New York, 987.00.

Received the following deposits, as shown by deposit tickets filed: Lord & Bennett, 3000.00; Benj. Thomas & Son, 1790.00; L. J. Farnsworth, 315.00; Wm. Raymond, 775.00; Johnson Mfg. Co., 5275.00; Ray Bros., 2910.00; Thos. H. Wilson, 1800.00; Stillman & Moore, 6150.00; R. L. Mason, 8219.40; Chas. J. Burke, 3926.42.

Paid the following checks: T. J. & W. E. Upton, 242.69, 400.00; Lord & Bennett, 52.75, 146.90, 2234.46; Bingham, Field & Ward, 824.50, 640.00, 1138.55; Samuel Wilder, 2134.30, 86.25; Johnson Mfg. Co., 896.81, 27.50, 6000.00; Ray Bros., 4500.00; Jas. Angle, 1690.00, 47.25; D. J. Slocum, 75.00, 1792.63, 250.00.

Collection & Exchange, from Teller's Memorandum, 16.92.

Rule and foot the New York Draft Register, the Discount Register, and the Individual Ledger, and carry the results to the Journal. Rule, foot and post the Journal, as directed on page 237.

DECEMBER 29, 189–.

Received advice that the following collections have been paid: No. 822; Coll. & Exch., 25c. No. 820; Coll. & Exch., 50c. No. 829; Interest, 8.16; Coll. & Exch., 1.00. (*J. & I. L.*)

Collection No. 840 has been paid. (*Credit Jas. Angle, 750.00, and 33 days' interest, 4.13; total, 754.13. I. L.*)

Be careful to make the proper check mark in the C. T.

Received advice from Wayne County National Bank that discount No. 484, has been paid, 7500.00.

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued)

Discount No. 496, payable at our bank, has been charged to the account of the maker. (*See 180, page 232, and 177, page 232.*)

Received 3000.00 on deposit from W. G. Snyder. Issued him a Certificate of Deposit. (*Credit Certificates of Deposit in the Individual Ledger. Open an account with Certificates of Deposit.*)

W. G. Snyder is not a customer, and instead of crediting him for his deposit, we, at his request, issue him a Certificate of Deposit, and credit Certificates of Deposit account. A Certificate of Deposit is a paper headed with the name and location of the bank, and the date, stating that Mr. ——— has deposited ——— dollars in this institution, payable to himself, or order, upon return of this certificate properly indorsed, and is signed by the president or cashier, or both. See form of Certificate of Deposit in Business Form.

Received the paper described below, from the banks named, for collection and credit:

From Farmers, Canton, P. G. White's sight draft, dated 28th, on Jas. Angle, for 94.16. Presented, accepted, and placed among the checks. (*Credit Farmers, Canton, 94.16.*)

From. D. G. Lamson's Bank, Belfast, C. A. Stone's sight draft, dated 27th, on Hart & Shepard, for 298.75. Collected. Remitted our draft on Chemical Bank for the amount, less 25c. for collection. (*C. R.*)

This draft will be entered in the N. Y. D. R. at the close of business hours. No entry at this time excepting in the C. R., for the reasons explained on page 240.

From Wayne County National, Weaver & Janes' sight draft on Peter Wallace & Co., for 873.25, dated 28th. Collected. (*See 171, page 231*).

From Traders National, Kingston, Jas. Angle's note, at 3 months from Sept. 30th, indorsed by E. H. Mott & Co., for 1400.00, payable at our bank.

From Wisner & Clark's Bank, Clyde, W. A. Hood's note, indorsed by C. A. Parry & Co., for 375.00, at 30 days from Dec. 10th, payable at Exchange Bank, City.

From Norwich National, Warren & Sharp's sight draft on L. W. Gage for 162.11, dated Dec. 28th. Collected.

The following described paper, received on deposit, has been sent to the banks named, for collection, and charged to their respective accounts: Samuel Wilder's sight draft on Tubbs & Co., Kingston, for 194.50; to Traders National, Kingston. D. J. Slocum's sight draft on Norman Lacy, Rockford, for 34.17; to First National, Rockford. Johnson Mfg. Co.'s sight draft on B. A. Cole, Livonia, for 86.40; sent to Woodruff's Bank, Livonia. (*Charge Woodruff's Bank in Sundry Banks and Bankers account. See note on page 240.*)

Benj. Thomas & Son's sight draft on M. F. Burgess, Newport, for 346.94; sent Third National, Newport. Lord & Bennett's sight draft on L. M. Newton, Bath, for 732.81; sent Geo. K. Warren & Co., Bath. Bingham, Field & Ward's sight draft on Newman & Gregg, Bristol, for 17.39; sent Exchange National, Bristol.

Received the following paper from our customers and others for collection: From Ray Bros., sight draft on G. H. Wilson & Co., Holley, for 182.90; sent City Bank, Holley. From Thos. H. Wilson, Hadley & Holmes' note, at 3 months from Oct. 4th, for 918.92, payable at First National, Lyons; sent Wayne County National, Lyons. From Dunn & Cole, sight draft on D. F. Coates, Geneva, for 863.50; sent Exchange, Geneva.

Discounted the following paper: For R. L. Mason, Havens & Co.'s note for 450.00, at 30 days from this date, payable at Union Bank, City. Discount, 2.48.

For Samuel Wilder, his note for 1500.00, indorsed by J. A. Lindsay, at 30 days from the 28th inst., payable at our bank. Discount, 8.00.

For Meyer & Kauffman, Robert Moore's note for 2200.00, at 20 days from this date, payable at First National, Lyons. Discount, 8.43; coll., 2.00; exch., 2.75. Sent to Wayne County National.

For J. A. Bush, Philip Warner's note for 500.00, indorsed by John Rice, at 30 days from this date, payable at Union Bank, City. Proceeds paid in cash. Discount, 2.75. (*Write "Cash" after Bush's name in the "For Whom Discounted" column in the Discount Register, so that it will be posted to Cashier Account instead of to the account of the customer; see checks below. See 182 to to 186, page 232.*)

For Wyman & Fisher, their note, indorsed by J. H. Price, at 1 month from the 24th instant, for 600.00, payable at Farmers, Canton. Proceeds paid in cash. Discount, 2.90. Coll. & Exch., 1.50. Sent Farmers Bank.

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

For Johnson Mfg. Co., Darwin & Kent's note for 1500.00, at 1 month from the 24th inst., payable at Norwich National, Norwich. Discount, 7.25; coll. & exch., 2.88. Sent to Norwich National.

Drew the following drafts on Chemical Bank: No. 1605, favor Johnson Mfg. Co., 998.75; exch., 1.25. No. 1606, favor D. C. Allison, 17.00; exch., 15c. No. 1607, favor W. F. Jameson, 244.50; exch., 50c. No. 1608, favor L. S. Lansing, 116.00; exch., 25c. No. 1609, favor D. J. Slocum, 4993.75; exch., 6.24. No. 1610, favor P. J. Dudley, 73.50; exch., 15c. No. 1611, favor Meyer & Kauffman, 2496.87; exch., 3.12. No. 1612, favor W. B. Sage, 1000.00; exch., 1.25. No. 1613, favor Lord & Bennett, 1598.00; exch., 2.00. No. 1614, favor D. G. Lamson's Bank, 298.50; exch., 25c.

Remitted to Chemical Bank, for our credit, the following drafts on New York, received during the day: No. 1042, First National, Princeton, on Bowery Bank, 192.82; No. 213, Woodruff's, Livonia, on Sixth National, 1482.90; No. 194, Ward's Bank, Union, on Third National, 18.25; No. 1516, Exchange National, Dansville, on Bowery, 411.07; No. 2104, Commercial, Corning, on Metropolitan, 1242.16; No. 13492, First National, Waverly, on Union Trust Co., 27.90; No. 826, City Bank, Holley, on Broadway, 146.83; No. 1513, Exchange, Geneva, on Third National, 875.00; No. 482, First National, Butler, on Chemical, 218.11.

Received the following deposits: W. F. Jameson, 584.00; D. J. Slocum, 1395.18; Jas. Angle, 2873.00; Thos. H. Wilson, 843.10; Meyer & Kauffman, 4200.00; Johnson Mfg. Co., 5125.00; Samuel Wilder, 943.92; Bingham, Field & Ward, 550.00; Benj. Thomas & Son, 1975.00; Lord & Bennett, 2400.00.

Opened an account with J. H. Wentworth & Co., and received a deposit of 1250.00.

Paid the following checks: Johnson Mfg. Co., 1000.00, 396.00, 2584.00, 3000.00; T. J. & W. E. Upton, 985.00, 146.32, 75.00, 843.90; W. F. Jameson, 245.00, 2940.00, 133.25; D. J. Slocum, 5000.00; Jas. Angle, 3500.00, 200.00, 75.00, 186.90, 94.16; Thos. H. Wilson, 2735.50; Meyer & Kauffman, 2500.00, 1500.00, 49.26; Lord & Bennett, 85.00, 242.50, 1600.00; G. H. Perkins, 925.68, Cashier, 497.25, 595.60.

Collection and Exchange, from Teller's Memorandum, 27.85.

Rule, foot, and post, as heretofore instructed.

DECEMBER 30, 18—.

Received advices that the following collections have been paid: No. 861; coll. & exch., 50c. No. 862; coll. & exch., 50c.

Received from First National Bank of Belfast a draft, No. 8046, on Ninth National Bank, for proceeds of No. 863, less 50c. for collection. (*Credit Coll. & Exch., 50c., the difference between our charge and that of Belfast Bank; and credit Chas. J. Burke, 1491.00; see 173, page 232.*)

No. 864; coll. & exch., 50c. No. 865; coll. & exch., 50c.

Credit L. W. Perry, in Individual Ledger, under "Transient Accounts," for the proceeds of collection No. 864.

Collection No. 832 has also been paid. (*I. L.*)

Discounts Nos. 495, 491 and 493 have been paid. (*See 180, page 231. At this time credit Bills Discounted only.*)

Received the following described paper, from the banks named, for collection. All of the sight drafts were paid upon presentation.

From Third National, Newport, Clark & Co.'s sight draft, dated 28th, on J. H. Rich, for 197.46.

From Exchange National, Bristol, L. M. DePuy's sight draft, dated 29th, on M. W. Cheney, City, for 388.19.

From Wayne County National, J. F. Osgood's note at 90 days from Oct. 4th, indorsed by W. P. Follett, payable at Union Bank, City, for 1385.00.

From Cascade Bank, Portage, Norman Seymour's sight draft, dated 28th, on W. F. Lawrence, City, for 843.90. Remitted draft No. 1615, on Chemical Bank, for the proceeds, less 25¢ for collection.

From Traders National, Kingston, Duncan Jones' sight draft, dated 28th inst., on H. P. Randall, for 246.83.

The following paper, received on deposit, has been sent to the banks named for our credit: D. J. Slocum's sight draft, dated 29th, on Frank W. Brown, Corning, for 382.00; sent Livingston's Bank, Corning. (*Charge Livingston's Bank, in Sundry Banks and Bankers account, for the draft.*)

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Maxwell Day's sight draft, dated 30th, on Wing & Walker, Rockford, for 181.40; sent and charged to First National Bank, Rockford. J. H. Wentworth & Co.'s sight draft, dated 29th, on Holmes & Co., Geneva, for 23.82; sent Exchange Bank, Geneva. (*Charge Sundry Banks for the draft sent Exchange Bank.*)

Wm. Raymond's sight draft, dated 30th, on H. A. Miller, Lyons, for 392.50; sent Wayne County National. R. L. Mason's sight draft, dated 30th, on M. F. Griffith, Canton, for 49.80; sent Farmers.

Discounted the following paper: For H. W. Phillips, his note, indorsed by H. Chase and Andrew Springer, for 1000.00, at 30 days from this date, payable at Wayne County National, Lyons. Discount, 5.50; coll., 1.00; exch., 1.25. Proceeds paid in cash. (*See 182 to 186, page 232.*)

For R. L. Mason, Shelby & Co.'s note, at 30 days from the 28th, payable at Norwich National, for 575.00. Discount, 2.97; coll., 50¢; exch., 72¢.

For Samuel Wilder, Jones & Hardy's note, at 30 days from the 29th, payable at Union Bank, City, for 173.91. Discount, 93¢.

For Morgan & Seelye, H. A. Wood's note, indorsed by L. M. Lay, at 20 days from this date, payable at Exchange Bank, City, for 1485.00. Discount, 5.69. Proceeds paid in cash.

Drew the following drafts on Chemical Bank: No. 1615, favor Cascade Bank, Portage, for 843.65; exch., 25¢. No. 1616, favor Chas. J. Burke, for 9990.00; exch., 10.00. No. 1617, favor R. L. Mason, for 2188.00; exch., 2.74. No. 1618, favor R. W. Bush, for 18.50; exch., 15¢. No. 1619, favor A. B. Ward, for 142.00; exch., 25¢. No. 1620, favor Jerome Sackett, for 82.19; exch., 15¢.

Remitted Chemical Bank the following drafts and checks on New York, received during the course of to-day's business: No. 8046, First National, Belfast, on Ninth National, 1491.50; No. 1143, Second National, Westboro, on Bowery, 188.63; No. 896, Grangers Bank, Jackson, on Metropolitan, 864.50; No. 693, Exchange Bank, Norwich, on Sixth National, 92.18; No. 13482, Manufacturers Bank, Middletown, on Ninth National, 1143.75; No. 132, F. W. Richmond, Goshen, check on Chemical, 945.00.

Received the following deposits: D. J. Slocum, 1294.11; Wm. Raymond, 2250.00; Maxwell Day, 3960.12; L. J. Farnsworth, 3118.07; Lord & Bennett, 6190.83; T. J. & W. E. Upton, 4114.60; J. H. Wentworth & Co., 8673.95; R. L. Mason, 5000.00.

Paid the following checks: Chas. J. Burke, 10000.00, 546.50, 1850.00; R. L. Mason, 134.65 (note), 5000.00; Jas. Angle, 314.98, 1165.00, 123.16, 85.00; Stillman & Moore, 3500.00, 1492.50; Johnson Mfg. Co., 1122.50, 97.00, 2462.75; Samuel Wilder, 186.42, 1729.03; Bingham, Field & Ward, 916.40, 2422.76; Benjamin Thomas & Son, 10000.00; Cashier, 992.25, 1479.31.

Collection and Exchange, from Teller's Memorandum, 11.96.

Add, rule and post, as heretofore directed.

DECEMBER 31, 189–.

Received advices that the following collections have been paid: No. 828; coll. & exch., 1.00. No. 827; coll. & exch., 50¢. No. 826; coll. & exch., 25¢. No. 834; coll. & exch., 50¢.

Received from Exchange Bank, Geneva, their draft No. 910, on First National Bank, New York, for proceeds of Collection No. 880. Amount of draft, 863.25; collection, 25¢. (*Credit Dunn & Cole, in Individual Ledger, 863.00; and credit Collection & Exchange account, 25c. Be careful to make the proper check mark in the C. R. Charge Chemical Bank in N. Y. D. R. for Collection No. 827.*)

Collection No. 830, payable in the city, has been paid. (*Credit S. H. Lowe in I. L., under "Transient Accounts" 918.30.*)

Received from Woodruff's Bank, Livonia, draft No. 317, on Sixth National, for proceeds of Collection No. 874, less charges for collection. (*Credit Woodruff's Bank in Sundry Banks account for 86.40, and debit Collection & Exchange, 12c.*)

Collection No. 859 has been returned protested, and the drawers, Lord & Bennett, to whom it was credited, have given us their check for its face, 211.50, and the cost of protest, 1.35. (*Credit the bank to which it was sent for the total amount, 212.85. L. & B.'s check for the same amount will be charged up with others at the close of the day. Mark the paper "Protested" in the "Remarks" column in the C. R.*)

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Collection No. 878 has been returned dishonored. (*Mark it "Returned" or "Ret." in the "Remarks" column in the C. R. See 164, page 231.*)

No entry is required. The paper was received *for collection*, hence it is only necessary to return it to the drawers, Ray Bros. It is not customary to make a charge for our trouble unless the collection is made.

When a sight draft is left for collection, it is customary for the owner to request the bank not to protest it if it is not paid. In such a case a "No Protest" is attached to the draft, and if not paid the draft is returned to us and we return it to the owner. When we receive a draft on deposit, we protest it if not paid, to hold the drawer.

Discount No. 492 has been paid.

Discount No. 497, not having been paid, has been protested. (*Mark "Protested" in D. T.*)

Many banks have an account with Protested Paper, debiting Protested Paper and crediting Bills Discounted for dishonored Bills Discounted; but the custom is becoming general to leave all discounted paper in the Bills Discounted account until it is paid, a judgment obtained, or it is found to be worthless. In case judgment is obtained, Judgment Account is debited for the entire amount, face of note, interest and costs, and Bills Discounted is credited for face of note, and Interest for the interest upon it. In case the judgment proves to be worthless, Loss and Gain is debited and Judgment account credited.

Received advice that Discount No. 494 has been paid.

Received the following described paper, from other banks, for collection and credit, all of which was paid upon presentation: From Wayne County National, W. L. Coot's sight draft on Myron G. Peck, dated 30th, for 934.18, and Henry J. Lansing's sight draft on Maxwell Day, dated 29th, for 74.75. Presented the latter to drawee, who has accepted it, payable at our bank. The draft was placed among the checks. (*See list of checks paid.*)

From Norwich National, Jacob Sterling's sight draft on Newman & Barry, dated 29th, for 13.40.

From First National, Rockford, Dwight Weaver's sight draft on Colton & Manning, dated 30th, for 97.80.

From First National Bank, Jefferson, Homer Sprague's sight draft on Wm. H. Lyon, dated 29th inst., for 114.93. Collected, and remitted our draft No. 1621, on Chemical Bank, for 114.78. Collection, 15¢. (*C. R. No entry at this time in N. Y. D. R.*)

The following paper received on deposit, payable abroad, has been sent to the banks named for collection: Samuel Wilder's sight draft, dated to-day, on W. D. Jones, Newport, for 136.92; sent to Third National, Newport. James Angle's sight draft, dated to-day, on I. W. Woolson, Bristol, for 23.44; sent Exchange National, Bristol. James Angle's sight draft, dated to-day, on Hurd & Thomas, Canton, for 61.27; sent Farmers Bank, Canton.

Received the following paper for collection: From T. J. & W. E. Upton, Warren Lee's note, at 90 days from Oct. 12th, for 500.00, payable at Union Bank, City. From Johnson Mfg. Co., H. Burt's note, at 30 days from Dec. 13th, for 873.40, payable at Lansing's Bank, Lyons; sent Wayne County National. From David Gray, his sight draft on Geo. H. Newell, Chester, dated this day, for 94.50; sent First National, Chester.

Discounted the following paper. For Henry Sears, Thomas Brooks' note, indorsed by Frank Woodbury & Son, at 30 days from date, payable at Union Bank, City, for 525.00. Discount, 2.89. Paid cash for proceeds.

For Stillman & Moore, Fanning & Peck's note, at 20 days from date, payable at Exchange Bank, City, for 1500.00 Discount, 5.75.

For Wm. Raymond, Ellis & Hayden's note, at 30 days from the 27th inst., payable at First National, Lyons, for 2650.00. Discount, 12.81; coll., 2.00; exch., 3.31. Sent Wayne Co. National.

Drew the following drafts on Chemical Bank: No. 1621, favor First National, Jefferson, 114.78; Exch., 15c. No. 1622, favor D. J. Slocum, 200.00; exch., 50¢. No. 1623, favor Johnson Mfg. Co., 3500.00; exch., 4.38. No. 1624, favor J. H. Wentworth & Co., 100.00; exch., 25¢. No. 1625, favor L. J. Farnsworth, 3000.00; exch., 3.75.

Remitted Chemical Bank the following drafts on New York, received among the deposits: No. 1009, Howard's Bank, Dundee, on Bowery, 446.94; No. 464, First National, Preston, on Manufacturers and Traders, 132.29; No. 104, J. H. Clark's Bank, Woodville, on Croton, 273.91; No. 1264, Second National, Plainville, on Ninth National, 2500.00; No. 749, Lamont & Thomas, Morrisville, on Sixth National, 382.46; No. 6891, First National, Williamstown, on Chemical, 11.18; No. 317, Woodruff's Bank, Livonia, on Sixth National, 86.28; No. 910, Exchange Bank, Geneva, on First National, 863.25.

MEMORANDA OF TRANSACTIONS FOR DECEMBER (Continued).

Received the following deposits: Samuel Wilder, 1947.80; D. J. Slocum, 375.00; R. L. Mason, 1200.00; Stillman & Moore, 900.00; Jas. Angle, 1349.62; Lord & Bennett, 4480.00; Bingham, Field & Ward, 682.11; J. H. Wentworth & Co., 2963.42; Benj. Thomas & Son, 1646.92.

Paid the following checks: D. J. Slocum, 182.41, 943.86, 100.00, 200.00; L. J. Farnsworth, 3000.00; Wm. Raymond, 162.50, 394.05, 873.13; Lord & Bennett, 4000.00, 1263.44, 212.85; Johnson Mfg. Co., 3500.00, 150.00, 150.00; J. H. Wentworth, 1829.38, 163.90, 100.00; T. J. & W. E. Upton, 112.73, 986.09, 250.00; Bingham, F. & W., 3375.00; Maxwell Day, (draft) 74.75; Cashier, 522.11.

Collection and Exchange, from Teller's Memorandum, 23.45.

Remitted National Park Bank, currency, 25000.00.

Paid salaries for month as follows: Cashier, 200.00; Teller, 150.00; Book-keeper, 100.00; Assistant Book-keepers, 75.00, 50.00; Messenger, 25.00; Janitor, 25.00.

Add, rule and post, as heretofore directed.

You may now take a trial balance of the General Ledger to ascertain whether it is in balance, and also a proof of the Individual Ledger to ascertain whether the difference corresponds with the difference between the sides of the Deposits account in the General Ledger. If correct, your results will agree with the following:

STATEMENT OF SECOND NATIONAL BANK,

AT CLOSE OF BUSINESS, SATURDAY, DECEMBER 31, 189–.

Cash,	67005	29	Capital Stock,	100000	00
United States Bonds,	50000	00	Circulation,	45000	00
Real Estate,	8000	00	Discount,	3679	82
Furniture and Fixtures,	2500	00	Collection and Exchange,	1451	17
Expense,	2320	37	Surplus Fund,	11750	63
Loans & Discounts (Bills Discounted),	78141	31	Undivided Profits,	2718	42
Redemption Fund,	2250	00	Due Depositors,	143740	77
Due from other Banks and Bankers,	98266	43	Due other Banks and Bankers,	142	59
	308483	40		308483	40

You will next close all accounts exhibiting gains and losses into the Loss and Gain account, except the accounts with Real Estate and Furniture and Fixtures, which are inventoried at cost. The net gain is 2810.62.

You will next close the net gain into Surplus Fund account, Dividend account and Undivided Profits account, by a Journal entry, instead of through the Loss and Gain account, crediting Surplus Fund account, 281.06 (*see 36, page 222*), Dividend account, 2500.00 (which will amount to 2½ per cent. upon the capital stock), and Undivided Profits account, 29.56 (the remainder of the net profit, as shown by the balance of Loss and Gain account); and debiting Loss and Gain account for the sum of these items or the net profit, 2810.62. When this Journal entry is posted it will close Loss and Gain account and transfer the gain to the several accounts named. Foot and rule the J. again.

When the dividend is credited to the stockholders or paid to them in cash, Dividend should be debited in the Journal for the amount thus credited or paid.

QUESTIONS.

What is a banker? Of what does the business of banking consist? From what principal source do the profits of a bank arise? Into how many general classes are banking associations divided? What are they? What is a State bank? A National bank? A private bank? Under what law are National banks organized and governed? Describe some of the requirements of this law. How are State banks organized? Do State banks issue circulating notes? Explain. What are the duties of the Board of Directors? What are the officers and clerks of a bank? State the duties of each. Name the books used in a bank? Describe the books used in this set. State what is done with paper received for collection. What is the difference between Collection Paper and Discount Paper? What is done with Discount Paper payable abroad? What entries are made when the proceeds of discount paper are paid in cash? What is done with sight paper received as cash and payable abroad? Review the explanations and instruction given throughout the set.

CLEARING HOUSES.

A Clearing House is an association of banks called into existence by the necessity of the times, to facilitate daily settlements between banks. The aggregate amount of exchanges represents the clearing for the day. "Clearing," says Lloyd, "is the settlement of mutual claims by the payment of differences."

At large trade centers a certain number of banks associate themselves together under articles more or less comprehensive, as the magnitude and volume of trade may demand. Officers are elected and committees are appointed to conduct the affairs of the association. The officers are a President, Vice-President, Manager, and Committee of Management, sometimes called the Clearing House Committee, a Committee on Conference, a Nominating Committee, a Committee on Admission and an Arbitration Committee. The Manager, under control of the Managing Committee, has full charge of the business at the Clearing House so far as the manner of conducting its business transactions is concerned. He has full charge of the clerical force employed and of the settling clerks and messengers from the banks while at the Clearing House.

To enable the student to appreciate the use of the illustrated forms, they will be explained in their order commencing at "A."

In the daily routine of banking work the teller classifies his exchanges according to the bank at which they are made payable. This is usually done by assorting them in pigeon-holes, and at the end of the day's business Exchange Slips are made out against the different banks for the amount of exchangeable paper held for collection against them. In the illustrated forms the Exchange Slip "A" shows five different pieces of paper, aggregating 1147.82, which is the amount of exchanges carried by the German-American Bank to the Clearing House against No. 1, the Central Bank. There are different slips for each bank, and when ready for clearing the amount of exchange against each bank is placed in a large envelope with the Exchange Slip on the outside. When these slips are made out at the bank, an Exchange Slip is made out also for such other banks as collections are held against, and the aggregate of each is entered on another blank called the Settling Clerk's Statement (*see illustrated form "B"*). In this are entered the total debit against each bank. It will be seen by consulting the form (B) that the Settling Clerk of the German-American Bank took to the Clearing House on Aug. 15, collections aggregating 20552.87, as shown by the column headed "Total Debits." At the time of his arriving there no entries have been made in the column headed "Banks Credit." This is to be used during the interval between the opening and closing of the Clearing House.

Just before the hour of opening each settling clerk delivers to the other clerks their envelopes of exchanges which he has against them.

A credit ticket is made out by the settling clerk and handed to the manager, instructing him to credit the German-American Bank with exchanges aggregating 20552.87. The manager at once enters it in a blank called "Clearing-House Proof" (*see illustration D*). When all are entered the manager foots the column headed "Bank Cr.," which shows the total clearing to be made.

At a given hour, usually at 10 o'clock A. M., the signal is given to clear and the clerks deliver their exchanges, if not already done. The settling clerks now enter in the credit column of the Settling Clerk's Statement (B.), the total credit opposite each bank for the amount left against his bank.

The settling clerk of the German-American Bank foots the credit column of his statement and finds that there is an aggregate of 14741.56 against his bank, and that there will be due the German-American Bank 5811.31. He now fills out a Balance Ticket (C), showing debits, 20552.87; credits, 14731.56; balance, 5811.31, and passes it up to the manager. (*See illustration C.*)

The manager fills out the Clearing-House Proof and finding that the columns headed "Dr. Banks" and "Cr. Banks" foot equally, and also the columns headed "Due Clearing House" and "Due Banks" foot equally he announces the result "correct."

This completes the exchanges for the day, and the debit banks have one hour in which to pay their balance to the manager, and at 1:30 the credit banks receive from the manager their balances, which are paid either in checks or Clearing House certificates. Thus millions of dollars of settlements are made and balances are paid without moving specie or transferring a dollar in legal tender. The checks are deposited for clearing the next day and the certificates are used to adjust subsequent balances.

In Cincinnati the system was introduced and since has obtained in several of the Western cities to settle at once with the credit banks by drawing manager's checks upon the debit banks. By looking at "Clearing-House Proof" (D) it will be seen that should the manager give the German-American Bank a check for the balance due of 5811.31 upon No. 12, the Monroe County Savings Bank (whose debit balance is 16752.10), there would be a balance due from No. 4 of 10940.79.

No. 4. **(B)**

Rochester Clearing House Association

FROM

GERMAN AMERICAN BANK.

Settling Clerk's Statement, Aug. 15, 189–.

NO.	BANKS.	TOTAL DEBITS.		BANKS CREDIT.		NO.
1	Central Bank,	1147	82	145	33	1
2	Commercial National Bank,	2971	82	3410	85	2
3	Flour City National Bank,	2122	58	4500	00	3
4	German-American Bank,					4
5	Merchants Bank,	8356	05	664	57	5
6	Bank of Monroe,	2164	14	112	64	6
7	Trust and Safe Deposit Company,	1311	12	122	16	7
8	Traders National Bank,	223	55	334	64	8
9	Union Bank,	241	41	1222	90	9
10	Powers' Bank,	162	69	1887	86	10
11	Rochester Savings Bank,	355	08	1775	97	11
12	Monroe County Savings Bank,	228	04	243	95	12
13	Mechanics Savings Bank,	1268	57	320	69	13
	Footings,	20552	87	14741	56	
	Balance,			5811	31	
	Proof,			20552	87	

Balance Ticket.

No. 4. **(C)** *Rochester Clearing House,*

From German American Bank. *Aug. 15, 189–.*

Amt. Rec'd, $20,552.87.

Pmt. Brot., $14,741.56.

Debit Balance due Clearing House.

Credit Balance due Bank. *$5811.31.*

J. E. Jones, Settling Clerk.

Manager's Receipt.

No. 1. **(E)** *Rochester Clearing House,*

Aug. 15, 189–.

Rec'd from Central Bank, *$1681.42,*

Sixteen Hundred Thirty-one $\frac{42}{100}$ *Dollars,*

in full for the balance due the associated banks.

R. L. Smith, Manager.

(D)

Rochester Clearing House Proof, *Aug. 15, 189–.*

NO.	BANKS.	DUE R. C. H.		BANKS DR.		BANKS CR.		DUE BANKS.		NO.
1	Central Bank,	1631	42	10273	18	8641	76			1
2	Commercial National Bank,	4944	04	15217	90	10273	86			2
3	Flour City National Bank,	703	05	14217	17	13514	12			3
4	German-American Bank,			14741	56	20552	87	5811	31	4
5	Merchants Bank,			17585	00	24497	18	6912	18	5
6	Bank of Monroe,			9385	50	18515	50	9130	00	6
7	Trust and Safe Deposit Company,	8246	25	20121	50	11875	25			7
8	Traders National Bank,	8101	28	18615	93	10514	65			8
9	Union Bank,	293	14	26354	12	26060	98			9
10	Powers' Bank,			10500	00	25850	50	15350	50	10
11	Rochester Savings Bank,			10500	00	11967	20	1467	20	11
12	Monroe County Savings Bank,	16752	10	28462	50	11710	40			12
13	Mechanics Savings Bank,			11718	40	13718	49	2000	09	13
		40671	28	207692	76	207692	76	40671	28	

(A)

EXCHANGE SLIP

No. 1.

From No. 4,

German Am. Bank.

12	50
100	50
500	62
487	38
46	82
1147	82

CLASSIFYING AND INDEXING ACCOUNTS.

Accounts Classified in the Sales Ledger.—Many business houses open a Sales Ledger each year, and Accounts Receivable is subdivided accordingly. For instance, the Sales Ledger for 1889 would be posted to the General Ledger, under the heading, "Accounts Rec., 1889–1895," the first date indicating the year's work, the second, 1895, being the limit in which to secure judgment, as after that date the account would be outlawed. Accounts are usually arranged alphabetically in the Sales Ledger. By looking through the previous year's Ledger a book-keeper can apportion the space for each letter and have the book come out about right at the end of the year. Should there be, say ten pages set aside for accounts commencing with "A," it will be seen by consulting any index that at least 40 pages should be given to M, W, and a few others, while two or three would be enough for J, and doubtless one for Y. By this system of arranging accounts much valuable time is saved, and by following it a book-keeper in a short time can turn to an account without consulting the index.

"Insolvent Accounts" is an account kept in the General Ledger. Into it are closed, during the year, all accounts that are considered uncollectible. At the end of the year the aggregate is closed into Loss and Gain account. The object of this account is two fold: First, the account will show in one amount the total loss on insolvent accounts during the year; and second, the account thus compiled in detail is valuable for subsequent reference, for, although the aggregate is closed into loss and gain, yet no account should be considered entirely worthless unless it is either compromised or outlawed. If a judgment is secured on any account, or subsequent collections are made, a memorandum is made in this account, and for the amount collected loss and gain account is credited.

"Old Accounts" is a General Ledger account kept by some houses to indicate the aggregate outstanding indebtedness of the previous year. At the end of the year the debit balance of Accounts Receivable is closed into this account. A special column is then provided in the Cash Book headed Old Accounts in which are entered all cash collections on old accounts.

C. O. D. Accounts.—Some houses do a large business on orders sent C. O. D. When goods are so sent a general account is usually opened in the Sales Ledger headed "C. O. D.'s," and the parties ordering the goods are charged therein. Often, however, these C. O. D.'s are charged direct to the Express Co., but, as it is responsible only in trust and not absolutely, the principle is wrong. The heading, C. O. D. Accounts, would be strictly in accordance with the facts.

Statements.—Most business houses require their book-keepers to render statements to each customer at the end of the month. It brings in collections more promptly and also serves to disclose errors if any have been made. But a monthly statement should not, as a rule, be mailed until the Abstract has been verified by the debit balance of Accounts Receivable.

Receipts.—As a rule a receipt should never be given in which are the words "in full of all demands" or "all demands and claims." If it appears from the Ledger that there is due, say 112.50 from a customer, and that he wishes to pay same, do not write a receipt using above words or even "to balance account." Render a detailed statement showing all debits and credits and the balance due, then write "Paid" or Rec'd. Pmt." and sign the name of your house per your own name or initials.

It is always safe to draw a receipt "on account" or "in full for invoice Jan. 13th," or any other date, but a receipt in full for all demands when not obtained by fraud or in error stops all right of action. But in case of fraud or error such facts must be shown to a court and often the expense to follow up such a suit would cost more than the amount claimed. Should such a receipt be required by a customer let the proprietor or one of the firm sign it.

It is a good plan to have a receipt book with stubs, the receipts numbered consecutively, and when one is given the stub should be filled out with the number, name, date, amount, and "on acct.," "in full of acct.," "for invoice ———," etc., as the case may be. If a receipt is made on a statement, the statement should be copied in an impression book.

Indexing Ledger Accounts. Nothing in counting-room work so forcibly illustrates a lack of system and order than to find indexes behind or accounts omitted from the index or incorrectly folioed.

In opening an account in the Ledger, first determine the page upon which the account is to be opened and then before heading the account write the name in the index. In doing this write the surname first and then the Christian name or initials, if the name be of one person, and if a firm write the first surname in the firm name. In indexing corporations or joint stock companies, which usually commence with the word "The," write the word first that immediately follows the word "The." This name must be written under the proper initial letter and in the proper vowel column of said initial letter. Should you wish to index the name of J. M. Barnes, you would open the index at the letter "B." If the index is a vowel index, five divisions will be found under each letter extending across the two pages and lettered consecutively A, E, I, O, U. The first vowel in the name after the first letter decides the column in which the name is to be entered. The first vowel in the word Barnes is "a," therefore index the above name under the letter "B" and in the vowel column headed "A," when it will stand as follows:

B	A	E	I W Y	O	U
	Barnes, J. M. 8	Bentley, J. L. 9	Busby & Co. 14	Brown E. L. 11	Burnham & Co. 28
	Barnes, J. E. 4	Benner, W. 5	Byron E. 19	Booth & Co. 10	Bun, B. C. 20
		Belding & Co. 2		Bonner & Co. 7	Bufort & Smith. 18
		Beemis & Co. 1		Borst, Chas. 6	
		Bean & Bro. 3			

The same must be observed in looking for a name in the index. In looking for the page of Booth & Co.'s account turn to the letter "B" of the index and trace for the name in the vowel column headed "O," as the first vowel in the word Booth is "o."

In preparing the index for a General Ledger it may be bound as a part of the book, and need not even be a vowel index as the number of accounts is generally small. In special Ledgers, however, where the number of accounts is large, the index should be detached and should have stamped upon the outside of it the name and letter of the Ledger, as: "Index, Sales Ledger, B."

Before posting a day's record to the Sales Ledger, or any Ledger, take the index and folio each account to be posted by writing opposite it the page of the account as shown by the index. After all the items which are to be posted have been folioed proceed to post each item to the page which you have indicated, and as each item is posted to its Ledger account check next to the folio figures, thus, 18 $\surd$. By this method time will be saved, errors will be less likely to occur, and neatness will be secured.

In opening a Petty Personal Account in the Ledger, write that heading under the index letter "P" and give the page, then write the names that are to be entered in the Petty Personal Account under the proper index letter and in its proper vowel column, but record each account thus opened at the bottom of the column or next to the last line filled out. Then when looking for an account in the Petty accounts first commence at the bottom and trace up until found. Letter Books, Copied Invoices and Statements are indexed by folios. Lease Books, Bill Books, Accounts Payable, Accts. Rec., Discount Registers and Collection Registers are indexed by the consecutive number of the lease, note, account or collection as the case may be. The Collection Tickler and Discount Tickler are indexed by page usually but sometimes by date, thus: J. M. Brown, $^{6}/_{18}$, meaning that a note or collection of J. M. Brown may be found under the maturing date of June 18th.

In large concerns where division of labor is necessary to handle the volume of recorded sales, the Sales Ledger accounts are divided into two grand divisions, known as "City Customers" and "Country Customers." Accounts with city customers are divided among from four to six Ledgers, according to the magnitude of the business, but ordinarily the first Ledger contains all accounts from A to D, the second from E to G, the third from H to M, and the balance of the alphabet divided into from two to three divisions according to the accumulation of accounts under certain index letters. Sometimes each Country Ledger is composed of but one index letter, excepting that I and J are combined as are also K, Y and Z.

There are several improved methods of indexing accounts, each protected by copyrights. But the system in general use is the vowel index explained above.

APPENDIX.

BUSINESS PRACTICE.

The special design of this set is to furnish the student practice in drawing business papers, and to give him an understanding of how to use them in connection with business transactions. Its further, and equally important object, is to provide extended drill in invoicing, and other practical work involving accurate and rapid computations.

In connection with the memoranda, explicit directions for performing the work are given the pupil, based upon the use of offices. In case offices are not provided, the pupil will hand the money, papers and other documents called for in the memoranda to the teacher or some person appointed to act for him.

Office Department.—The work may be conducted independently of offices—the teacher, or some person designated by him, receiving the money, papers and other documents, and examining them with reference to accuracy in computation, correctness of form, etc., without making the records which would be required if offices were in operation.

Whenever it is convenient, the value of the work will be in a measure increased by establishing at least three offices, viz: (1) College National Bank, (2) Merchants Emporium, (3) Commercial Exchange. At the first, all banking business will be done; at the second, all merchandise will be bought; and at the third, all the business will be transacted which does not properly belong to the other two. When it is not possible to provide three *separate* offices, one may be made to serve the purpose by transacting all the business at that office, but keeping three distinct sets of books.

Complete directions for establishing and operating the offices, together with explanations of books, blank forms, etc., to be used, are given in the "Teachers' Guide."

Accurate Results.—As previously stated, a feature of this work from which the pupil will derive special benefit, is the opportunity it will afford him for gaining rapidity and accuracy in mathematical computations, by making out long invoices involving fractional quantities and prices, working partial payments of notes, averaging the time of accounts, etc.

That the pupil may receive the fullest benefit from the work, it is important that the teacher insist, first, upon accurate results, and, second, that these results be rapidly obtained by short, practical methods. In the work of making invoices, for example, the extensions should, as far as possible, be made mentally.

It is customary in business where fractions arise in the computations, to divide between the buyer and seller, giving and taking, but in this work, in order to obtain uniformity, in every computation if the fraction be one-half cent or more, add another cent, if less than one-half cent drop the fraction.

Writing the Business Forms.—The student will derive benefit from this work just in proportion as he exercises care in the preparation of the various papers and documents. Composition, spelling, punctuation, use of capitals, penmanship, neatness and general arrangement are all important elements, and should receive careful attention in performing the work.

Books to be Used.—A Journal, Ledger, Sales Book, Cash Book, Bill Book and Check Book, similar to those used in the November and December set, page 78, may be advantageously employed. Other books or forms, if preferred by the teacher, can be readily used.

Space in the Ledger.—In opening accounts in the Ledger, give one-half of a page each to Bills Recv., Bills Pay., Mdse., Expense, Freight and Drayage, Interest and Discount, and Collection and Exchange; give one-third of a page each to E. D. Carpenter & Co. and Clark, Endicott & Fielding; give all other accounts one-fourth of a page each.

The pupil will now receive from the teacher the books and business papers and the number of the price list he is to use, and proceed with the work, following carefully the directions given him from time to time in the foot notes in connection with the memoranda.

BUSINESS PRACTICE BUYING PRICE LISTS.

ARTICLE.	DESCRIPTION.	QUANTITY.	No, 1.	2.	3.	4.	5.	6.	7.	8.	9.	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.
Baking Powder,	Royal,	Case, 1 dz. 1 lb. Cans,	35c. lb.	37^{2}	36	38	37	35^{2}	$33\frac{1}{3}$	32	30	$33\frac{1}{3}$	35	38	37^{2}	36	40	39	35^{2}	38	$33\frac{1}{3}$	36
Coffee,	Java,	Mat, 100 lbs.	20c. lb.	18	$16\frac{2}{3}$	19	15^{2}	16	20	21^{2}	22^{2}	25	24^{1}	23^{2}	21	20^{2}	18^{2}	16	15	$16\frac{2}{3}$	20	15^{2}
Coffee,	Rio,	Bag, 140 lbs.	15c. lb.	$16\frac{2}{3}$	18	15^{1}	16	12^{2}	$16\frac{2}{3}$	15	14	12^{2}	15	17	$16\frac{2}{3}$	18	20	18^{2}	19^{3}	17	$16\frac{2}{3}$	18
Coffee,	Mocha,	Mat, 70 lbs.	23c. lb.	21	22^{2}	24	23^{1}	21	20	22^{1}	21^{3}	23	22^{2}	25	22	21^{1}	23^{2}	24	25	24^{2}	20	20^{2}
Cocoa,	Epps' Breakfast,	$\frac{1}{2}$ lb. Can,	35c. lb.	34	36	33	35	32	34	33	37	39	36	34	35	33	35	31	34	37	39	36
Chocolate,	Baker,	1 lb. Pkg.	30c. lb.	33^{2}	32^{2}	30^{1}	31^{3}	30	29^{2}	28	26^{1}	27	30	32^{2}	$33\frac{1}{3}$	30	31^{1}	32^{3}	29^{2}	28	26^{1}	27
Cheese,	Full Cream,	54 lb. each,	$12\frac{1}{2}$c. lb.	12	13	11	10^{2}	12^{1}	10	12^{2}	11	11^{2}	13^{1}	10	11	11^{3}	14	15	12^{2}	13^{1}	12	12^{1}
Codfish,	Boneless,	40 lb. Box,	5c. lb.	5^{1}	4^{3}	5^{2}	5	4	6^{1}	5	4^{2}	4	5	5^{2}	6^{1}	5	5^{2}	4^{3}	5	6	5^{1}	4
Currants,	English,	350 lb. Bbl.	$3\frac{7}{8}$c. lb.	4	3^{4}	3	$3\frac{5}{8}$	$3\frac{7}{8}$	4	$3\frac{3}{8}$	4	3^{2}	$4\frac{1}{8}$	4	3	$3\frac{7}{8}$	3^{3}	4	$3\frac{5}{8}$	$3\frac{7}{8}$	4	3^{2}
Crackers,	Oyster,	60 lb. Bbl.	5c. lb.	4^{2}	4	5^{1}	5	4	4^{2}	5	5^{2}	6	5	5^{1}	4^{2}	5	4	3^{3}	4	5	4^{2}	4
Flour,	Roller Process,		4.75 bbl.	4.80	4.62^{2}	4.70	4.65	4.75	4.80	4.62^{2}	4.70	4.75	4.65	4.80	4.85	4.90	5.00	4.95	4.85	4.75	4.60	4.50
Molasses,	Porto Rico,	50 gals. Bbl.	30c. gal.	29	28	27	28	29	30	31	33	32	$33\frac{1}{3}$	31	32	29	30	28	27	29	31	$33\frac{1}{3}$
Molasses,	New Orleans,	50 gals. Bbl.	42c. gal.	40	41	42	39	40	43	38	37^{2}	39	40	42	41	38	37^{2}	39	40	41	42	43
Mackerel,	Large Extra,	20 lb. Pail,	2.05 pail,	2.15	2.10	2.12^{2}	2.05	2.15	2.00	2.10	2.05	2.00	2.15	2.20	2.10	2.25	2.20	2.15	2.12^{2}	2.05	2.10	2.00
Matches,	Gates,	3 gro. Pkg.	60c. gro.	55	62^{2}	60	58	62	62^{2}	65	64	62	58	60	62^{2}	65	63	62	60	61	58	62
Oat Meal,	Akron,	200 lb. Bbl.	5.25 bbl.	5.30	5.20	$5.16\frac{2}{3}$	5.25	5.15	5.10	5.20	5.15	5.25	5.20	$5.16\frac{2}{3}$	5.30	5.25	5.15	5.20	5.16^{3}	5.10	5.25	5.15
Prunes,	Turkish,	1500 lb. Cask,	5^{1}c. lb.	5	5^{2}	6	6^{1}	6^{2}	6	6^{1}	5^{2}	5	5^{1}	5	5^{2}	6	6^{1}	6^{2}	7	6^{3}	6	6^{1}
Pepper,	Shot,	120 lb. Bag,	15c. lb.	$16\frac{2}{3}$	16	15^{2}	15	14	12^{2}	13	14	14^{2}	15	15^{2}	16	$16\frac{2}{3}$	16	15	15^{2}	15	$16\frac{2}{3}$	16
Rice,	G. N. C. Head,	300 lb. Bbl.	$3\frac{5}{8}$c. lb.	4	$3\frac{7}{8}$	3^{2}	$3\frac{3}{8}$	$4\frac{1}{8}$	4	$3\frac{7}{8}$	$3\frac{3}{8}$	3	$3\frac{5}{8}$	3^{2}	$4\frac{1}{8}$	4	$3\frac{7}{8}$	$3\frac{3}{8}$	3^{2}	4^{1}	$3\frac{5}{8}$	$3\frac{7}{8}$
Raisins,	London Layers,	20 lb. Box,	10^{2}c. lb.	10^{1}	11^{2}	12^{1}	9^{2}	10	12^{2}	12	11	10^{3}	12	12	11	12^{2}	10	11	10^{2}	12	9	10
Sugar,	Standard A,	325 lb. Bbl.	$4\frac{7}{8}$c. lb.	$4\frac{5}{8}$	4^{2}	4^{3}	4^{1}	$4\frac{3}{8}$	5	$4\frac{15}{16}$	$4\frac{13}{16}$	4^{2}	$4\frac{7}{16}$	$4\frac{7}{8}$	$4\frac{11}{16}$	4^{3}	$4\frac{9}{16}$	$4\frac{5}{16}$	4^{1}	$4\frac{3}{8}$	$4\frac{7}{8}$	$4\frac{5}{8}$
Sugar,	Granulated Fine,	325 lb. Bbl.	5c. lb.	4^{2}	$4\frac{5}{8}$	$4\frac{7}{16}$	$4\frac{5}{16}$	4^{2}	$4\frac{13}{16}$	5	4^{2}	4^{1}	4^{3}	4^{2}	5	$5\frac{3}{16}$	5^{2}	5^{1}	$5\frac{3}{8}$	5^{2}	5	4^{2}
Sugar,	White C,	330 lb. Bbl.	$4\frac{5}{8}$c. lb.	5	4^{2}	4^{1}	4	$4\frac{7}{8}$	5	$4\frac{11}{16}$	$4\frac{3}{8}$	$4\frac{5}{8}$	5	4^{1}	$4\frac{7}{8}$	4	$4\frac{3}{8}$	4^{2}	5	$4\frac{5}{8}$	$4\frac{13}{16}$	5
Sugar,	Yellow C,	300 lb. Bbl.	$3\frac{7}{8}$c. lb.	$3\frac{9}{16}$	$3\frac{11}{16}$	$3\frac{5}{8}$	$3\frac{15}{16}$	3^{2}	$3\frac{13}{16}$	4^{1}	3^{3}	3^{2}	$3\frac{15}{16}$	$3\frac{7}{8}$	4	$3\frac{9}{16}$	3^{2}	$3\frac{5}{8}$	$3\frac{15}{16}$	4	3^{2}	$3\frac{7}{8}$
Starch,	Pure Gloss,	160 lb. Bbl.	3c. lb.	4	2^{2}	3^{2}	4	4^{2}	5	3^{2}	4	3	4	3^{2}	3^{1}	4	3^{1}	3^{2}	4	3^{1}	4	3
Salt,	Fine Table,	10 lb. Bag,	5c. bag	4^{2}	5	6	5^{2}	8	7	6	5	4^{2}	6	5^{2}	7	5	8	6^{1}	4	7	8	6^{2}
Salt,	Onondaga,		75c. bbl.	80	70	85	80	62^{2}	65	70	80	75	85	75	80	65	62^{2}	70	75	80	65	70
Soap,	Empire,	100 1 lb. Cakes in Box,	3.50 box	3.25	3.37^{2}	3.50	3.25	3.37^{2}	3.50	3.25	3.00	3.50	3.25	3.37^{2}	3.12^{2}	3.15	3.20	3.10	$3.16\frac{2}{3}$	3.25	3.50	3.37^{2}
Soap,	White Castile,	40 $\frac{3}{4}$ lb. Cakes in Box,	11^{2}c. lb.	12	12^{1}	11^{1}	12^{2}	11	11^{3}	12	12^{2}	13	12^{3}	12^{2}	12	12^{1}	11^{2}	11	12	12^{2}	11^{1}	11
Tea,	Japan,	70 lb. Chest,	40c. lb.	37^{2}	38	40	42	40^{2}	41	38^{2}	39	37^{2}	38	40	39^{2}	42	41	40^{3}	41^{2}	40	39	38
Tea,	Oolong,	40 lb. Chest,	37^{2}c. lb.	40	39	37^{2}	38	36	37^{2}	39	36	40	41	38	37	35	36	38	37	41	37^{2}	36
Tea,	Young Hyson,	75 lb. Chest,	42c. lb.	41	43	42	42^{1}	43^{2}	44	42	41	42^{2}	42	43	44	43^{1}	42	41	40^{2}	42	40	41
Tapioca,	Pearl,	150 lb. Bag,	5^{1}c. lb.	5^{2}	5	5^{3}	6	5	5^{2}	5^{1}	5^{2}	5	4^{3}	4^{2}	4	4^{2}	$4\frac{3}{4}$	5	6	5^{2}	5^{1}	6
Vinegar,	Cider,	50 gals. Bbl.	10c. gal.	10^{1}	10^{2}	11	9^{2}	9^{3}	10	11	12	11^{2}	11	12	12^{2}	11	10	9^{2}	10^{1}	10	11	10^{2}
Yeast,	National,	1 dz. Cakes in Pkg.	45c. dz.	42^{2}	41^{3}	46	45	43^{2}	42	44	45^{1}	43	42^{2}	41^{1}	40	45^{1}	46	44^{3}	43	42^{2}	45	44

NOTE.—For convenience of reference and to guard against errors, it is recommended that the student copy off, on the opposite sides of a sheet of heavy paper or cardboard, the price lists assigned him for performing the work, using the same list number in both buying and selling. Where the fractions are not expressed in full in the price lists, fourths are understood. For example: 12^{1} means $12\frac{1}{4}$; 37^{2} means $37\frac{1}{2}$; 4^{3} means $4\frac{3}{4}$.

BUSINESS PRACTICE SELLING PRICE LISTS.

ARTICLE.	DESCRIPTION.	QUANTITY.	No. 1.	2.	3.	4.	5.	6.	7.	8.	9	10.	11.	12.	13.	14.	15.	16.	17.	18.	19.	20.
Baking Powder,	Royal,	Case, 1 dz. 1 lb. Cans,	40c. lb.	42	40²	43	41³	40	38	37²	35	39	40	42²	42	41¹	44²	43	40²	43²	40	40²
Coffee,	Java,	Mat, 100 lbs.	25c. lb.	22	21	24¹	20	21²	24³	25	24³	26²	29	26	28³	25	23	20²	20¹	21	24³	21
Coffee,	Rio,	Bag, 140 lbs.	20c. lb.	19	20²	17	18²	15	20	18¹	17²	16⅔	17²	20²	19	22	22²	19³	21²	19³	18²	20²
Coffee,	Mocha,	Mat, 70 lbs.	26c. lb.	25	26	28	25	23	22	25	26	26²	26	28	24	25	27	26	28	27	23	24
Cocoa,	Epps' Breakfast,	½ lb. Can,	39c. lb.	37²	39	33⅓	38	35	37²	36	40	41	39	37²	38	36	38	33⅓	37²	39	41	39
Chocolate,	Baker,	1 lb. Pkg.	36c. lb.	39	37²	35	36	33⅓	32	31	30	30²	33⅓	35	36	33²	34	35	33	31	30	30
Cheese,	Full Cream,	54 lb. each,	14²c. lb.	14	14²	13²	12²	14	12	14	12²	13	14	12	12²	13	15²	16⅔	15	14	13	14
Codfish,	Boneless,	40 lb. Box,	7c. lb.	7²	7	7²	6³	6	8	7	6³	5³	6²	7	7²	6³	7	6	6²	7²	7	6
Currants,	English,	350 lb. Bbl.	4⅝c. lb.	5²	4¹	3³	4⅜	4²	4⅝	4	4³	4²	4⅞	4³	3⅞	4²	4¹	4²	4⅜	4²	4³	4¹
Crackers,	Oyster,	60 lb. Bbl.	5²c. lb.	5	4²	6	5³	4²	5	5²	6¹	6²	5²	6	5	5²	4²	4²	4²	5²	5	4²
Flour,	Roller Process,		5.50 bbl.	5.20	5.00	5.15	5.00	5.20	5.00	5.10	5.15	5.20	5.10	5.20	5.25	5.30	5.40	5.35	5.25	5.15	5.05	5.00
Molasses,	Porto Rico,	50 gals. Bbl.	35c. gal.	34	33⅓	32	33	34	35	35²	37	36	37²	36	36²	33⅓	34	32	31	33⅓	35	37²
Molasses,	New Orleans,	50 gals. Bbl.	50c. gal.	46	47	48	45	46	48	45	42	45	46	47	46	44	43	45	46	47	48	49
Mackerel,	Large Extra,	20 lb. Pail,	2.25 pail,	2.35	2.25	2.20	2.15	2.12²	2.25	2.30	2.20	2.15	2.30	2.35	2.25	2.40	2.35	2.30	2.25	2.20	2.25	2.20
Matches,	Gates,	3 gro. Pkg.	65c. gro.	60	68	65	62²	67	68	70	69	66⅔	63	65	67²	70	69	66⅔	65	66	63	66⅔
Oat Meal,	Akron,	200 lb. Bbl.	6.00 bbl.	6.00	5.90	5.80	5.95	5.80	5.75	5.85	5.75	5.80	5.90	5.85	6.00	5.90	5.85	5.90	5.85	5.75	6.00	5.80
Prunes,	Turkish	1500 lb. Cask,	6c. lb.	5²	6	6²	6³	7	6²	6³	6	5²	5³	5²	6	6²	6³	7	7²	7¹	6²	7
Pepper,	Shot,	120 lb. Bag,	20c. lb.	21	20	18	18	17²	15	16⅔	17	18	19	20	20²	21	20²	18²	18	19	20	19
Rice,	G. N. C. Head,	300 lb. Bbl.	4⅞c. lb.	5	4²	4¹	4	5	4⅞	4²	4¹	4	4²	4¹	5	4³	4²	4¹	4²	5	4³	4²
Raisins,	London Layers,	20 lb. Box,	14c. lb.	13²	14	15	12²	13	16	15	14	13²	15	15²	14	16	14	14	13²	15	12²	13
Sugar,	Standard A,	325 lb. Bbl.	5⅛c. lb.	4⅞	4³	5	4²	4⅝	5¹	5⅛	5	4³	4⅞	5¹	5	5	4⅞	5	4²	5	5¹	5
Sugar,	Granulated Fine,	325 lb. Bbl.	5²c. lb.	5	5¹	5	4³	5	5¹	5²	5	4³	5¹	5	5²	5³	6	5³	6	5³	5²	5¹
Sugar,	White C,	330 lb. Bbl.	5c. lb.	5⅜	5	4³	4²	5¹	5²	5	5⅛	5¹	5²	4³	5¹	4²	4⅞	5	5⅜	5	5⅛	5²
Sugar,	Yellow C,	300 lb. Bbl.	4²c. lb.	4	4¹	4	4¹	3³	4	4²	4	3⅞	4¹	4⅜	4²	4	3³	4	4¹	4⅜	4	4¹
Starch,	Pure Gloss,	160 lb. Bbl.	3¾c. lb.	4²	3	4	4²	5	5²	4	4²	3²	4²	4	3³	4²	3²	4	4²	3³	4²	3²
Salt,	Fine Table,	10 lb. Bag,	7c. bag	6²	7	8	7²	9²	9	8	7	6²	8	7²	9	7	9²	8²	6	9	10	8²
Salt,	Onondaga,		1.00 bbl.	1.05	95	1.05	1.00	85	90	95	1.00	90	95	90	85	80	90	95	1.00	1.00	85	90
Soap,	Empire,	Box, 100 lbs.	4.25 box	3.75	4.00	4.00	3.75	4.10	4.00	3.75	3.62²	4.00	3.75	4.05	3.62²	3.70	3.75	3.65	3.66⅔	3.75	4.00	4.10
Soap,	White Castile,	Box, 30 lbs.	13²c. lb.	14	14²	13	14²	13	13²	14	14²	15	14²	14¹	14	14	13²	13	14	14²	13	12²
Tea,	Japan,	70 lb. Chest,	50c. lb.	42	44	45	48	46	47	46	47	45	46	47	46	48	47	47	48	46	45	44
Tea,	Oolong,	40 lb. Chest,	45c. lb.	46	45	44	45	42	43	44	43	46	47	45	44	41	42	44	43	47	45	44
Tea,	Young Hyson,	75 lb. Chest,	55c. lb.	50	51	50	50	51	50	51	50	52	51	49	50	51	50	49	47	48	46	48
Tapioca,	Pearl,	150 lb. Bag,	6²c. lb.	6³	6	6²	7	6	6²	6¹	6²	6	5²	5²	5	5²	5²	6	6³	6²	6¹	6²
Vinegar,	Cider,	50 gals. Bbl.	12c. gal.	12²	12²	13	11²	12	12¹	12²	14	13	13	14	14²	13	12²	11	12	12	13	12²
Yeast,	National,	1 dz. Cakes in Pkg.	55c. dz.	50	48	52	51	50	48	52	53	52	48	47	45	50	51	50	49	48	52	51

NOTE.—See note on opposite page

_____, January 1, 18—.

_____(Student) has this day been admitted an equal partner in the Wholesale Grocery House of Wm. L. Richmond, located at 384–390 Concord Ave., this City. The firm name is to be Richmond & _____ (Student), and the duration of the partnership five years.

It is agreed that the Resources shown by the Ledger of the old business shall constitute Richmond's investment (less his Liabilities, which the firm assumes), all Personal Accounts and Bills Receivable being guaranteed by him, as set forth in the appended Statement:

It is agreed that _____ (Student), shall invest cash equal to Richmond's present worth, shown by the difference between his Resources and Liabilities, as enumerated below.

It is further agreed that each partner shall devote his entire time and energies to the business for which this partnership is created; but in view of the Senior partner's long experience and more valuable services, he shall be allowed by the firm a salary of $1,000.00 per year, during the first two years of this co-partnership.

It is agreed that interest shall be charged upon all sums drawn from the business by the partners for their private use, and interest shall be credited upon all sums additionally invested.

It is agreed that complete and accurate books of account shall be kept, and these shall, at all times, be open to the inspection of either partner or his attorney. Once each year or oftener, an accounting of the business shall be made, and the profits and losses arising from its conduct shall be entered, share and share alike, in the partners accounts.

At the expiration of the time for which the partnership is formed, the assets shall be converted into cash and the balance remaining after all the liabilities have been discharged, shall be divided between the partners as their partnership interests shall appear.

Note.—Articles of co-partnership, embodying the conditions and requirements set forth above, may be drawn up by the student at the discretion of the teacher.

For general form of Articles of Co-partnership, see Commercial Law.

WM. L. RICHMOND'S RESOURCES.

Notes and Acceptances (See Note to Student below).

A note made, David A. Parker, City, ——, his favor, dated July 6 last, at 6 months, payable at his (Parker's) office, with interest, $2,000.00, on which the following payments have been made:—

July 24, $350; Sept. 4, $500; Dec. 3, $200. (In writing this note endorse the payments on the back of it.)

A draft drawn by Hamilton & Co., White Plains, ——, his favor, on Francis C. Budlong, Corfu,——, dated Sept. 9 last, at 4 months from date, accepted payable at First National Bank. $218.44.

A note made by Geo. Bostwick & Son, City, his favor, dated Oct. 2 last, at 90 days, payable at Traders' National Bank, with interest, $400.

A note made by Henry D. Taft, Carthage, ——, his favor dated Oct. 4 last, at three months, payable at Anson County Bank, with interest. $600.

A note made by Meyers & Feltman, City, favor E. H. Cooper, and by him endorsed to Richmond, dated Nov. 2 last, at 60 days, payable at First National Bank. $341.36.

Note To Student.—Draw the above five notes (except signatures) and write a full indorsement (except signature) on each one transferring it from Richmond to the firm, since the notes are all drawn in favor of Richmond, but are now the property of the firm. Present the notes at the Com'l. Ex. for the signatures of maker and endorser; enter them in the Bill Book, and then debit Bills Recv. account in the Ledger direct for each note separately under the date of the note and credit Bills Recv. acc't for the partial payments under their respective dates. No entries need be made in the Journal for the resources and liabilities constituting Richmond's investment.

For Ledger space, see page i.

PERSONAL ACCOUNTS. (See note next page.)

Martin & Bishop, Gainesville, ——.

	Dr.			Cr.	
Aug. 4.	Invoice 60 ds.	$613 25	Sept. 1.	Cash	$300
Oct. 25.	" 30 ds.	342 50	Nov. 1.	"	600
Dec. 12.	" 60 ds.	406 45			

E. D. Carpenter & Co., Millville, ——.

Dr.			Cr.		
Aug. 17.	Invoice 60 ds.	$140 32	Oct. 15.	Cash	$300
Sept. 26.	" 30 ds.	275 00	Nov. 1.	Note 60 ds.	400
Oct. 3.	" 30 ds.	400 20			
Nov. 27.	" 30 ds.	310 82			

Howard O. Strong, City.

Nov. 12. Invoice 60 ds. ..... $351 80.

Ballantyne Bros., Geneva, ——.

Dr.			Cr.		
Sept. 6.	Invoice 30 ds.	$295 68	Oct. 1.	Cash	$100
Dec. 10.	" 30 ds.	302 05	Nov. 1.	"	50
			Dec. 10.	"	100

James Gordon, Argyle, ——.

Nov. 2. Invoice 60 ds. ..... $326 40.

Odell & Moffett, City.

Nov. 3. Invoice 60 ds. ..... $450 50.
Dec. 5. " 30 ds. ..... 232 86.

Henry Pell & Co., Gouverneur, ——.

Sept. 8. Invoice 60 ds. ..... $425 22.
Nov. 3. " 60 ds. ..... 380 12.

F. W. Hendrick's Sons, Decatur, ——.

Dec. 6. Invoice 30 ds. ..... $396 16.
Dec. 12. " 30 ds. ..... 208 74.

Holliway & Holliway, City.

Dec. 7. Invoice 30 ds. ..... $384 41.

Note.—Open above accounts in the Ledger and enter the items (not the totals) in each account. For Ledger space see page i.

MERCHANDISE PER INVENTORY

65 bbls.	Roller Process Flour.	20 bbls.	Standard A Sugar.
30 bbls.	Granulated Sugar.	15 bbls.	White C Sugar.
20 ch.	Japan Tea.	20 ch.	Y. H. Tea.
25 bxs.	London Layer Raisins.	15 bbls.	Porto Rico Molasses.
13 bbls.	New Orleans Molasses.	15 mats	Java Coffee.
15 bags	Rio Coffee.	12 mats	Mocha Coffee.
5 bxs.	Boneless Codfish.	25 bxs.	Empire Soap.
3 bbls.	Cider Vinegar.	50 pails	Mackerel.
5 bbls.	Oyster Crackers.	20 pkgs.	National Yeast.
25 bbls.	Onondaga Salt.	200 bags	Fine Table Salt.

Note.—Make out an Inventory sheet of the above from your buying price-list and enter the total to the debit of Mdse. acct. in the Ledger. Remember to add another cent to the result in *every computation* where the fraction is one-half cent or more. Make the extensions mentally in every case where you can possibly do so, using paper and pencil only when absolutely necessary. After completing in this manner the entire invoice, it might be well to verify some of the more difficult items with paper and pencil. In a short time, however, this precaution will be unnecessary, and simply a review, mentally, of the entire work will suffice. You will be surprised and gratified by the proficiency you will soon attain in rapidity and accuracy if you will persist in this method.

FURNITURE AND FIXTURES.

Office Safe, Office Furniture, and other Store Fixtures, as per Schedule ..... $575.

Note.—Open an account in the Ledger with Furniture and Fixtures, and debit it for above amount.

INSURANCE.

Unearned premium on Insurance on Stock $38 75

NOTE.—Open an account in the Ledger with Insurance and debit it for the above amount.

INTEREST AND DISCOUNT.

Balance of interest and discount in Richmond's favor on Bills Receivable, Bills Payable, and Personal Accounts $42 14

NOTE.—Open an account with Interest and Discount and debit it with above balance. This balance of interest and discount is obtained as follows:—

Rate 6 per cent. on a basis of 360 days for a year, difference in time being found, in every case, by counting actual number of days.

In the Personal accounts owing to Richmond, if an invoice be due before Jan. 1, the interest on it from maturity to Jan. 1, is a resource; if due after Jan. 1, the discount on it from Jan. 1 to maturity, is a liability. In accounts owing by Richmond, if an invoice be due before Jan. 1, the interest on it to Jan. 1 is a liability; if due after Jan. 1 the discount on it from Jan. 1 to maturity, is a resource.

Bills Receivable, bearing interest, the interest to Jan. 1, is a resource; those not bearing interest, the discount from Jan. 1 to maturity, is a liability. Bills Payable, bearing interest, the interest to Jan. 1 is a liability; those not bearing interest, the discount from Jan. 1 to maturity, is a resource.

The difference between the sum of the several resource items and the sum of the several liability items, is the amount given above.

WM. L. RICHMOND'S LIABILITIES.

NOTES AND ACCEPTANCES.

His note in favor of Boyd & Clark, dated Oct. 2 last, 90 ds., payable at College National Bank, with interest $1500

His note dated Nov. 4 last, at 2 mo., in favor of James H. Boltwood, payable at College National Bank, with interest $1000

Draft drawn on him by Logan, Caswell & Co., Boston, favor E. T. Morgan, dated Dec. 6 last, at 30 ds. sight, accepted Dec. 8, and payable at College National Bank $523 30

NOTE.—Draw above notes and draft, except signature. Enter them in Bill Book. Credit Bills Payable acct. in the Ledger direct, for each note separately. Hand them to clerk in the Com. Ex. Before handing them in, write your name in pencil in the upper left corner of each note for the convenience of the clerk in the Com. Ex.

PERSONAL ACCOUNTS (All represented by the Merchant's Emporium).

CLARK, ENDICOTT & FIELDING, New York.

DR.			CR.		
Sept. 3.	Cash	$1500	July 12.	Invoice 90 ds.	$2619 62
Nov. 1.	Note, 60 ds. with interest	1500	Sept. 3.	" 60 ds.	854 09
			Dec. 21.	" 60 ds.	1608 96

CRANDALL & Co., City.

CR.

Oct. 3.	Invoice 30 ds.	$205 75
Oct. 10.	" 30 ds.	116 60

ALEXANDER MITCHELL, City.

CR.

Nov. 6.	Invoice 60 ds.	$164 34

ROBT. H. BOYD & Co., Baltimore.

CR.

Oct. 5.	Invoice 90 ds.	$235 26
Oct. 9.	" 90 ds.	112 00
Nov. 12.	" 60 ds.	330 09

STEVENS BROS. & SELDEN, City.

CR.

Nov. 9. Invoice 60 ds. $160 00
Nov. 12. " 60 ds. 79 12

MEAD, FARLEY & MEAD New York.

DR.			CR.		
Dec. 4.	Cash	$350 00	Oct. 19.	Invoice 60 ds.	$518 00
			Dec. 4.	" 60 ds.	320 11

MYERS & ARKWRIGHT, City.

CR.

Dec. 4. Invoice 30 ds. $325 90

J. M. CONE & SON, City.

CR.

Dec. 6. Invoice 30 days. $250 00

NOTE.—Open above accounts in the Ledger and enter the items (not the totals) in each account.

Wm. L. Richmond's present worth, $——.

JANUARY 1, 188—.

——— (student), pays into the business cash equal to Richmond's present worth, $——. (C. B.)

NOTE.—The teacher will give you an order on Commercial Exchange for the above amount. Collect it and make an entry in the cash book.

Renew the lease of the store 384–390 Concord Avenue, of Andrew D. Bennett, for five years, at $2400 per year, payable monthly in advance. All taxes, except the water-tax, are to be paid by the owner, who is also to make any necessary repairs. Tenant is to have the privilege of sub-letting. Pay one month's rent in advance in cash. (C. B.)

NOTE.—A lease embodying the above conditions, may be written by the student at the discretion of the teacher. A duplicate lease is generally made, so that each party may have a copy. Pay at Com'l Ex. one month's rent and take a receipt.

The pupil will be expected to draw the papers for all parties except those represented by Mer. Emp. and C. N. Bank, affixing, however, only his firm's signature to such as require it. Papers requiring the signatures of other parties must be presented at the office indicated in the memoranda, to be signed.

Deposit in C. N. Bank all the cash on hand except $200. (Ck. Bk.)

NOTE.—Write a deposit ticket (see Business Forms) and present it, with money and Pass-Book, at the Bank, and receive credit. Also write the signature of the firm in the Signature Book at the Bank. The style of signature adopted should be one that can be written rapidly and legibly, and alike at all times, as nearly as possible.

The following bill of Mdse. was ordered by Richmond, Dec. 26, at 60 ds., of Clark, Endicott & Fielding, New York: 2 casks Turkish Prunes, 10 bags Pearl Tapioca, 5 bags Shot Pepper, 5 bbls. P. R. Molasses, 10 mats Java Coffee, 10 ch. Japan Tea, 10 ch. Oolong Tea, 5 bbls. New Orleans Molasses, 5 bags Rio Coffee, 10 bxs. Boneless Codfish, 25 bxs. London Layer Raisins, 20 bxs. White Castile Soap.

NOTE.—Make a copy of this order on Order Sheet, and hand to Merchants Emporium. No entry required.

Sell Ballantyne Bros., Geneva, ——, 30 ds. on acct., 3 ch. Japan Tea, 1 bbl. Porto Rico Molasses, 5 bbls. Granulated Sugar, 3 bags Rio Coffee, 5 pails Mackerel.

NOTE.—Make out invoice of above from selling price list and deliver to Com. Ex. Remember the suggestion in a previous note in regard to making the extensions mentally.

Receive of James Gordon cash in full of invoice, Nov. 2.

NOTE.—Receive the cash at Commercial Exchange and give a receipt.

Pay cash for sundry items of Stationery, $5.00.

NOTE.—Pay above to Com. Ex. Charge to Expense.

Order of Mead, Farley & Mead, New York, 60 ds., 40 bbls. White C. Sugar, 20 bbls. A. Sugar, 20 bbls. G. Sugar.

NOTE.—Write a letter ordering the above. Give shipping directions and request them to forward as soon as possible. Enclose the letter in envelope properly addressed and hand to Merchants Emporium. No entry will be made until the goods are received.

Sell to Summer Bros., City, at 1½ per cent., special discount for cash, 5 bxs. Empire Soap, 2 ch. Y. H. Tea, 5 bbls. Onondaga Salt, 2 bbls. A. Sugar, 1 bx. Boneless Codfish, 5 bbls. R. P. Flour.

NOTE.—Make invoice, receipt it and deliver to Com. Ex., receiving the cash. Enter in S. B. and C. B. and check the entries. In Sales Book enter, as a check, the initials C. B., and in the Cash Book S. B.

Receive the invoice of the goods ordered of Clark, Endicott & Fielding, New York, Dec. 26.

NOTE.—Receive the above at Merchants Emporium, examine the prices, extensions and footing of the Invoice, and if found correct, make the entry in the Journal. The total of the Invoice only need be entered. File the Invoice, giving name, date, terms and amount.

Pay Sundry items of freight and drayage in cash, $10.50.

NOTE.—Pay above to Com. Ex. Charge to Freight & Drayage which account will eventually be closed into Merchandise account.

Prove your cash and balance the Cash Book, post the day's business, make out a "Daily Statement" on the blank which you will find in your package of forms, and hand to the teacher receiving his "O. K." check on same before proceeding with the next day's work.

JANUARY 2, 18—.

Sell (at Com. Ex.) Martin & Bishop, Gainesville—, on acct., 60 ds., 5 bbls. A. Sugar., 5 bbls. White C. Sugar.

Sell (at Com. Ex.) Edgar W. Townsend, City, 30 ds., on acct., 3 ch. Oolong Tea., 1 cask T. Prunes, 2 bbls. Oyster Crackers, 1 bbl. Cider Vinegar, 2 bags S. Pepper, 2 bbls. N. O. Molasses, 5 bxs. E. Soap.

Buy (at C. N. Bank) a draft on New York for $1000, and give your check for same with exchange added at ¼ per cent. Remit the draft to Clark, Endicott & Fielding, New York, to apply on %.

NOTE.—In drawing the check say in the body, Pay to Draft $1000; & Exchange $2.50. Charge the exchange to Collection & Exchange account. Write a letter enclosing the above draft, with full endorsement, and hand it to Mer. Emp.

Buy (at Mer. Emp.) of Alex. Mitchell, 60 ds., on acct., 50 bbls. O. Salt, 500 bags F. T. Salt.

NOTE.—Fill out an Order Sheet and hand to the Mer. Emp. The invoice will be delivered to you later in the day.

Receive (at Com. Ex.) cash of Odell & Moffett, in full for invoice, Nov. 3.

Sell (at Com. Ex.) E. D. Carpenter & Co., Mellville—, 30 ds. on acct., 2 bbls. P. R. Molasses, 10 pkgs. National Yeast, 5 bxs. Boneless Codfish, 5 bags Pearl Tapioca, 3 mats Java Coffee, 3 ch. O. Tea, 5 bxs. White C. Soap.

Leave (at C. N. Bank) Myers & Feltman's note for collection.

NOTE.—Make memorandum in Bill Book, "Left for Collection." Endorse the note and hand it in at the Bank.

Pay (at Com. Ex.) cash for two tons of coal for store $10.50.

Sell (at Com. Ex.) Chas. H. Parmelee, Ogden—, at 1 per cent., special discount for cash, 5 mats J. Coffee, 5 pkgs. N. Yeast, 3 ch. O. Tea, 5 bxs. E. Soap.

Receive (at Com. Ex.) of David A. Parker, a payment of $300 cash to apply on his note.

NOTE.—Endorse the payment on the note (See Business Forms) and make memorandum in B. B.

Give (at Mer. Emp.) Myers & Arkwright, your check to pay invoice of Dec. 4th.

Pay (at Com. Ex.) cash for drayage for the day, $1.25.

Receive of Henry Pell & Co., their note to balance account, with 63 days interest added. The note is dated on the equated date of payment of the account, at 60 ds., payable at Traders National Bank, this city.

NOTE.—Equate the account; draw up the note and present it at Com. Ex. for signature. In equating the account use the Interest method, assuming the latest date in the account as the focal date, carrying out and preserving the computations to five decimal places. This requirement is made in order to secure uniform accuracy in the results. As a matter of practice it would not be considered necessary to be so exact in the fractions.

Deposit all your cash except $50.00.

Write an advertisement, to be inserted in the daily papers, for a Shipping Clerk. State qualifications required, and any other conditions you may consider desirable. Hand adv. to Com. Ex.

Prove your cash and balance the Cash Book. Post the day's business. Make out "Daily Statement" slip and hand to the teacher.

JANUARY 3, 18—.

Richmond's note favor Boyd & Clark, assumed by the firm, is due to-day, and has been charged to the firm account at College National Bank, in accordance with your instructions.

Sell (at Com. Ex.) James Gordon, Argyle—, 60 ds., on account, 5 mats J. Coffee, 2 bbls. P. R. Molasses, 2 bags Pepper, 5 ch. J. Tea, 5 bbls. G. Sugar, 5 bbls. White C. Sugar.

Buy (at C. N. Bank) by check at ¼ % Exch., a draft on New York, and remit it to Robt. H. Boyd & Co., Baltimore, in full of invoice Oct. 5th.

NOTE.—See note under remittance made to Clark, E. & F., 2nd inst.

Buy (at Mer. Emp.) of Myers & Arkwright, City, 30 ds., on acct., 20 bbls. O. Crackers, 50 pkgs. N. Yeast.

Receive (at Com. Ex.) of Ballantyne Bros., their check on Citizens Bank, Geneva, $200 on acct.

NOTE.—Draw up this check (except signature) on the blank which you will find in your package, and present it at Com. Ex. to be signed.

Sell (at Com. Ex.) Henry G. Wheeler, City, at 1 per cent. discount for cash, 20 bbls. O. Salt, 5 ch. Y. H. Tea, 10 pails Mackerel, 5 bbls. G. Sugar, 10 bbls. R. P. Flour.

NOTE.—Receipt the invoice and check the entries in Sales Book and Cash Book.

Order of Clark, Endicott & Fielding, New York, 60 ds., on acct., to be shipped by fast freight, 100 cans Epps' Breakfast Cocoa, 100 pkgs. Baker's Chocolate, 5 bbls. English Currants, 20 pkgs. Gates Matches, 25 bbls. Pure Gloss Starch, 10 bags Pearl Tapioca, 10 bbls. G. N. C. Head Rice, 25 dz. cans Royal Baking Powder.

NOTE.—Write a letter ordering the above, and hand it to Mer. Emp.

Receive (at Com. Ex.) of Martin & Bishop, cash on acct., $200.

Pay (at Mer. Emp.) Crandall & Co., cash in full of invoices of Oct. 3rd and Oct. 10th, and interest since maturity.

Sell (at Com. Ex.) Howard O. Strong, City, 60 ds. on acct., 5 mats M. Coffee, 5 mats J. Coffee, 10 bxs. L. L. Raisins, 100 bgs. F. T. Salt, 10 pkgs. N. Yeast, 5 ch. J. Tea, 1 ch. O. Tea, 1 bag S. Pepper, 3 bbls. A. Sugar.

Receive (at Com. Ex.) cash in payment of Geo. Bostwick & Son's note and interest, due to-day.

Pay (at Com. Ex.) drayage for the day, in cash, $1.50.

Deposit Ballantyne Bros. check and all currency except $100. Bank charges ¼ % collection on the check.

In response to your advertisement of yesterday for a shipping clerk, letters from several applicants for the position were received, and among the number, one from Charles R. Dent, of 154 Oregon St., which impressed you most favorably, and resulted in his engagement at a salary of $50 per month.

NOTE.—You will make a copy of the above letter of application. Give careful attention to the composition, arrangement, capitalization, punctuation and penmanship. Enclose the letter in an envelope, properly addressed, and hand to the teacher.

Prove your cash and balance the Cash Book. Post the day's business. Make out "Daily Statement" slip and hand to the teacher.

JANUARY 4, 18—

Pay (at Com. Ex.) "Daily News" bill of advertising, in cash, $15.

Leave H. D. Taft's note at C. N. Bank for collection.

Receive (at Mer. Emp.) the invoice of goods ordered of Mead, Farley & Mead, 1st inst.

Sell (at Com. Ex.) L. D. Oliver, City, on his note at 3 ds., endorsed by Geo. Osgood, payable at Merchants Bank, 7 ch. J. Tea, 3 ch. Y. H. Tea, 20 bxs. L. L. Raisins, 3 bbls. P. R. Molasses, 6 bbls. O. Crackers, 6 bbls. G. Sugar, 12 pkgs. N. Yeast.

NOTE.—In writing this note, after the words "payable at Merchants Bank," add in parenthesis (To be presented to the teacher at maturity).

Receive (at Com. Ex.) cash of Odell & Moffett, in full of Invoice Dec. 5.

Order (by letter) of Robt. H. Boyd & Co., Baltimore—, 60 ds. on acct., 50 bbls. Y. C. Sugar, 25 bbls. N. O. Molasses, 15 bbls. P. R. Molasses.

Pay (at Mer. Emp.) J. M. Cone & Son, cash for Invoice Dec. 6.

Receive credit at C. N. Bank for Meyers & Feltman's note, due to-day.

NOTE.—Present your Pass Book at the Bank and receive credit. The note being payable in the city, no charge is made for collecting.

Pay (at Com. Ex.) cash for cleaning store, $3.50.

Buy (at Mer. Emp.) of Crandall & Co., City, 30 ds. on acct., 25 bbls. R. P. Flour, 15 bbls. Oat Meal.

Buy (at Com. Ex.) of Graves & Clark, 1 Cylinder-top Office Desk, $125. Give them check in payment. (Furniture & Fixtures acct.)

Ship Richard Olmstead, Clarksville—, by National Express, C. O. D., 4 ch. J. Tea, 4 ch. Y. H. Tea.

NOTE.—It is customary to ship goods C. O. D. (collect on delivery) where the responsibility or credit of the buyer is limited, or where his financial standing is unknown to the seller. Make one Invoice in detail, to be mailed to the customer. Then make a second Invoice, reading "Mdse. per Invoice by mail," giving the *amount* of the Invoice only, not the items, and enclose it in the C. O. D. envelope, which you will find in your package of forms. Fill out the envelope by writing the amount of the Invoice in the first blank space, leaving the second and third blanks to be filled by the Express Co. At the bottom of the envelope, under Remarks, write "Add return charges."

Open an account in the Ledger with "C. O. D Accounts." See explanation for "Miscellaneous Accounts," p. 197.

Sell (at Com. Ex.) Henry Pell & Co., Gouveneur—, 60 ds. on acct., subject to draft, 30 bbls. R. P. Flour, 5 bbls. Oat Meal, 20 bbls. O. Salt, 200 bags F. T. Salt.

Sell (at Com. Ex.) Holliway & Holliway, City, 60 ds. on acct., 2 bbls. P. R. Molasses, 2 bbls. N. O. Molasses, 20 pails Mackerel, 5 bbls. A. Sugar, 5 bbls. W. C. Sugar, 10 bxs. E. Soap, 3 ch. J. Tea, 3 ch. Y. H. Tea, 3 bags Tapioca, 20 pkgs. N. Yeast.

Pay (at Com. Ex.) freight and drayage, for the day, in cash, $10.25.

Deposit in C. N. Bank all the cash on hand.

Prove and balance the cash, post the day's business and make daily statement.

JANUARY 5, 18—.

Receive (at Mer. Emp.) the invoice of goods ordered of Clark, Endicott & Fielding, 3rd inst.

Receive (at Com. Ex.) cash of F. W. Hendrick's Sons, in full of invoice of Dec. 6.

Remit Mead, Farley & Mead, New York, your note at 30 ds., payable at C. N. Bank, to apply on acct., $800.

NOTE.—Write a letter enclosing the note and hand it to Mer. Emp.

Sell Odell & Moffett, City, 30 ds. on acct., 10 bbls. Flour, 50 cans Epps' Cocoa, 50 pkgs. Baker's Chocolate, 5 bbls. P. G. Starch, 2 mats J. Coffee, 2 mats M. Coffee, 5 dz. cans R. Baking Powder, 1 bbl. E. Currants.

Telegraph Robt. H. Boyd & Co., Baltimore, to add to your order of yesterday, three casks of Turkish Prunes. Pay the charges on the telegram, 50c., in cash. (Debit Expense.)

NOTE.—Limit the number of words in the message to ten.

Discount at C. N. Bank, H. Pell & Co.'s note, and have the proceeds placed to your credit.

Sell (at Com. Ex.) Ballantyne Bros., Geneva—, 30 ds. on acct., 5 dz. cans R. Baking Powder, 5 bbls. O. Crackers, 5 bbls. O. Meal, 10 bxs. L. L. Raisins, 3 pkgs. N. Yeast, 5 bbls. A. Sugar, 5 bbls. G. Sugar, 5 bbls. P. R. Molasses, 5 bbls. N. O. Molasses, 7 bags R. Coffee, 3 ch. J. Tea, 5 bags P. Tapioca.

Receive (at Com. Ex.) cash of Martin & Bishop, to balance their account, with interest added, or discount deducted, as the case may be, between this date and the equated date of payment.

NOTE.—Average the account by the Interest method, assuming the latest date as the focal date and carrying out and preserving all computations to five decimal places. Preserve your work and show it to the teacher before obtaining the cash.

Give (at Com. Ex.) Orville W. Dean check for $500 on Wm. L. Richmond's private account.

NOTE.—Open an account in the Ledger with "Wm. L. Richmond, Private Account."

Buy (at Mer. Emp.) of Stevens Bros. & Selden, City, at 1½ per cent. discount, for cash, 50 bxs. E. Soap. Give check in payment.

Pay (at Com. Ex.) freight and drayage, in cash, $14.50.

Deposit all the cash you have on hand except $150.

Prove and balance the cash, post the day's business, and make daily statement.

JANUARY 6, 18—.

Receive (at Com. Ex.) cash of Holliway & Holliway, for invoice Dec. 7.

Buy (at Mer. Emp.) of J. M. Cone & Son, City, at 2 per cent. discount for cash, 20 Full Cream Cheese.

Sell (at Com. Ex.) E. D. Carpenter & Co., Millville—, 30 ds. on acct., 15 bbls. Flour, 4 bbls. N. O. Molasses, 10 bbls. O. Salt, 20 bxs. E. Soap, 3 bbls. G. N. C. Head Rice, 1 cask T. Prunes, 10 bbls. A Sugar, 10 bbls. W. C. Sugar, 6 pkgs. G. Matches.

Wm. L. Richmond's note favor J. H. Boltwood (assumed by the firm), due the 7th, has been paid at C. N. Bank and charged to your account.

NOTE.—By a recent enactment in the State of New York, commercial paper falling due on a holiday, is made payable on the next business day. In most of the States, however, such paper is payable the day preceding the holiday.

Receive (at Com. Ex.) cash of James Gordon, less 1 per cent. discount, for invoice Jan. 3rd.

Buy a draft on New York for $2000 at ¼ per cent. exchange, by check, and remit it to Clark, Endicott & Fielding, New York (Mer. Emp.), to apply on account.

Order in same letter the following goods, on acct. 60 ds. to be shipped by fast freight: 20 ch. O. Tea, 25 ch. J. Tea, 25 ch. Y. H. Tea, 15 mats J. Coffee, 15 mats M. Coffee, 10 bags R. Coffee, 25 bxs. B. Codfish, 5 bbls. E. Currants, 4 casks T. Prunes, 5 bags S. Pepper, 25 bxs. L. L. Raisins, 10 bbls. G. N. C. H. Rice, 10 bags P. Tapioca.

Pay (at Mer. Emp.) Alex. Mitchell, cash in full of invoice Nov. 6.

Sell (at Com. Ex.) D. H. Johnson, City, for cash, 10 bbls. O. Salt, 100 bags F. T. Salt, 10 bxs. E. Soap, 10 bbls. Flour.

Pay (at Com. Ex.) drayage for the day, in cash, $1.

Ship the following goods to Leach & Hanford, Odessa, by Southern Despatch Line, C. O. D., to the order of C. N. Bank: 10 bbls G. Sugar, 10 bbls. W. C. Sugar, 5 bags R. Coffee, 2 ch. Y. H. Tea.

NOTE.—Make out a B/L and have it signed at Com. Ex. Draw a sight draft on Leach & Hanford in favor of C. N. Bank, attach the B/L and draft to the Invoice, and leave same with C. N. Bank for collection.

The object of sending the shipment C. O. D., is the same as explained in the case of the C. O. D. shipment by Express to Olmstead, Jan. 4. The R. R. Co. does not, however, make the collection direct, as in the case of the Express Co. The goods are marked "Subject to the order of C. N. Bank." The R. R. Agent at Odessa, will not deliver the goods until the consignees have paid the draft to the Bank in Odessa, to which it was sent by C. N. Bank for collection, and present that Bank's order on the R. R. Co. for the goods.

Pay (at Com. Ex.) salaries of employes, for the week, in cash, $150

Deposit in C. N. Bank all the cash on hand.

Prove and balance the cash, post and make daily statement and hand to the teacher, together with a trial balance of the Ledger for the week, exhibiting the differences instead of the footings of the accounts.

JANUARY 8, 18—

Sell Martin & Bishop, Gainesville—, 60 ds. on acct., 10 bbls. R. P. Flour, 20 cans Epps' B. Cocoa, 20 pkgs. Baker's Chocolate, 5 pails Mackerel, 5 pkgs. G. Matches, 5 bbls. P. G. Starch, 5 bbls. O. Salt, 100 bags F. T. Salt, 10 bxs. E. Soap, 2 bags P. Tapioca.

Receive (at Com. Ex.) of Ballantyne Bros., their check on Citizens Bank, Geneva, $300, on acct.

Draw from C. N. Bank, by check, $150 cash, for office use.

NOTE.—Put in the body of the check "Cash for Office."

Sell James Gordon, Argyle—, 60 ds. on acct., 5 bbls. G. Sugar, 5 bbls. White C. Sugar, 5 bbls. P. G. Starch, 10 bxs. E. Soap, 10 pkgs. B. Chocolate, 5 Cheese, 2 bbls. P. R. Molasses.

C. N. Bank has received returns from Carthage—, on H. D. Taft's note. Take your Pass Book to the Bank and receive credit for the note and interest, less ¼ per cent. collection.

NOTE.—The interest is computed at 6 % on a basis of 30 days for a month.

Make a statement of E. D. Carpenter & Co.'s account. Average the account and note on the statement, and also in the Ledger, the average date of payment. Write them a letter urging a prompt settlement, either by cash, or note at 60 days, with interest added.

NOTE.—In averaging the account, use the "Interest" method, assuming the latest as the focal date, carrying out the computations to five decimal places. In writing what is termed a "Dunning" letter, nice discrimination must be exercised in the language employed. While the debtor should be given to understand unmistakably, that the demands of the creditor must be complied with, it should be done in such a way as to avoid giving offence. Present the statement to the teacher for approval, and then enclose the letter and statement and hand to Com. Ex.

Buy at C. N. Bank, by check, a New York draft at ¼ % exch., and remit same to Robt. H. Boyd & Co., in payment of invoice Oct. 9.

Sell Edgar H. Collins, Lexington—, on his note at 60 ds., payable at First National Bank, 5 bbls. Rice, 5 bbls. White C. Sugar, 2 bags P. Tapioca, 1 doz. cans R. Baking Powder, 5 bbls. O. Crackers.

Pay (at Com. Ex.) N. T. Everest, cash $100, on Wm. L. Richmond's private account.

Draw a draft on H. Pell & Co., Gouverneur—, dated Jan, 4, at 60 days from date, in your favor, for the amount of the bill sold them on that date, and enclose it to them for acceptance and return.

NOTE.—Enclose the draft in a letter and hand to Com. Ex. Make a memorandum in their acct., in pencil, as follows: "Draft sent for acceptance and return."

Pay (at Com. Ex.) drayage for the day, in cash, $1.25.

Prove and balance the Cash Book. Post the day's business. Make daily statement and hand to the teacher.

JANUARY 9, 18—.

Receive the goods ordered of Robt. H. Boyd & Co., 4th and 5th insts.

Sell F. W. Hendrick's Sons, Decatur—, 30 ds. on acct., 10 bbls. Y. C. Sugar, 5 bbls. N. O. Molasses, 5 bbls. P. R. Molasses, 5 mats J. Coffee, 5 bbls. O. Salt, 100 bags F. T. Salt.

Buy of Crandall & Co., City, 30 ds. on acct., 50 bbls. R. P. Flour, 20 bbls. O. Meal.

Pay cash for cleaning store, $2.75.

Receive (at Com. Ex.) of Odell & Moffett, cash in full of invoice Jan. 5, less 1 per cent. discount.

Buy of Holbrook & Gardner, City, at 2 per cent. discount, 20 bbls. Cider Vinegar. Give in payment check on C. N. Bank.

Receive (at Com. Ex.) cash for the C. O. D. on Richard Olmstead, shipped by National Express 4th inst.

Holliway & Holliway (at Com. Ex.) return the 20 pkgs. National Yeast sold them 4th inst., on account of its inferior quality. You will return the same to Myers & Arkwright (at Mer. Emp.) from whom you purchased it, together with the 10 pkgs. you have of same lot remaining on hand.

Pay (at Mer. Emp.) Stevens Bros. & Selden, cash in full for invoice Nov. 9.

Sell Ballantyne Bros., Geneva—, 30 ds. on acct., 1 doz. cans R. Baking Powder, 2 bags R. Coffee, 20 cans Epps' Cocoa, 1 bbl. E. Currants, 5 bbls. Oat Meal, 2 bbls. N. O. Molasses, 2 bbls. P. R. Molasses, 5 pkgs. G. Matches, 4 bbls. G. Sugar, 5 bbls. Y. C. Sugar, 10 bbls. R. P. Flour, 5 bxs. B. Codfish.

Leave L. D. Oliver's note for collection.

Receive (at Com. Ex.) of David A. Parker, cash in full for balance due on his note.

NOTE.—Find the balance due by U. S. Rule for partial payments. Find the time by counting actual number of days.

Pay freight and drayage for the day, in cash, $18.50.

Deposit Ballantyne Bros. check and all the cash on hand except $50. Bank deducts ¼ per cent. collection on the check.

Prove and balance the Cash Book. Post the day's business. Make daily statement and hand to the teacher.

JANUARY 10, 18—.

Wm. L. Richmond's acceptance favor E. T. Morgan, assumed by the firm, is due to-day and has been paid by C. N. Bank and charged to the firm acct.

One of your salesmen, Allan G. Hinchley, has been obliged to resign his position with you owing to the removal of his family to a distant city. Pay him balance due on salary, $7.50, in cash. He desires a letter of recommendation, and having proved himself faithful, efficient and trustworthy, you comply with his request.

NOTE.—Such a letter should contain a candid statement of facts regarding the character and general qualifications of the person commended. It may be addressed "To whom it may concern," "To the Business Public," or to some specified party. Hand the letter and cash to Com. Ex.

Buy of Alex. Mitchell, City, 60 ds. on acct., 100 bbls. O. Salt, 500 bags F. T. Salt.

Receive (at Com. Ex.) of Howard O. Strong, cash in full of invoice Nov. 12.

Sell Odell & Moffett, City, 30 ds. on account., 2 mats M. Coffee, 2 bbls. O. Crackers, 5 bbls. R. P. Flour, 10 bbls. O. Salt, 1 ch. Y. H. Tea, 2 bbls. C. Vinegar, 5 Cheese, 1 doz. cans R. Baking Powder.

Leave Francis C. Budlong's acceptance for collection.

Accept (payable at C. N. Bank) Mead, Farley & Mead's draft at 1 day's sight, favor Orton & Co., on acct., $500.

Receive the invoice ordered of Clark, Endicott & Fielding, the 6th inst.

Receive (at Com. Ex.) of James Gordon, cash for invoice 8th inst., less 2 per cent. discount.

Sell (at Com. Ex.) Kauffman & Co. (Clothiers), City, on acct., 1 ch. Y. H. Tea.

NOTE—Messrs. K. & Co., being personal friends, you sell them the Tea at cost price.

Buy of Myers & Arkwright, City, 30 ds. on acct., 50 bbls. O. Crackers, 50 pkgs. N. Yeast.

Sell Sloan & Hunt, City, at 1 per cent. disc't for cash, 20 bbls. O. Salt, 100 bags F. T. Salt, 20 bbls. R. P. Flour.

You owe Frank W. Brown $20.75 for extra labor in the store. He prefers not to draw the money at present, and at his request you give him a Due-Bill for the amount.

NOTE.—Journalize the Due-Bill as Bills Payable, and hand it to Com. Ex.

Sell Larkin & Pease, Oakland—, on their note at two months, payable at Cook & Sons Bank, 5 ch. J. Tea, 5 ch. Y. H. Tea, 5 mats J. Coffee, 2 mats M. Coffee, 5 bbls. Y. C. Sugar, 5 bbls. W. C. Sugar.

Pay freight and drayage for the day, in cash, $12.10.

Deposit in C. N. Bank, $600.

Prove and balance the cash. Post the day's business and make daily statement.

JANUARY 11, 18—.

Receive from C. N. Bank notice of protest of L. D. Oliver's note, due yesterday. Call at the bank and get the note and pay the protest fees, $1.00 in cash.

NOTE.—Make the fees a part of the note and debit Bills Rec.

Receive (at Com. Ex.) cash of F. W. Hendrick's Sons for invoice Dec. 12.

Buy by check a New York draft for $1000 at ¼ per cent. exch., and remit to Clark, Endicott & Fielding (Mer. Emp.), on account.

Sell Holliway & Holliway, City, 60 ds. on acct., 10 pkgs. B. Chocolate, 5 bxs. B. Codfish, 1 cask T. Prunes, 10 bxs. L. L. Raisins, 2 bbls. Rice, 20 bbls. O. Salt, 5 ch. O. Tea, 15 pkgs. N. Yeast.

Give (at Com. Ex.) one of your clerks (Chas. Williams), to apply on his salary, an order on Kauffman & Co. for goods from their store to an amount not exceeding $15.

L. D. Oliver pays his protested note of yesterday, as follows: He renews $300 of the amount by a new note at 60 ds., with same endorser as before, payable at Merchants Bank. The balance of the old note, the protest fees, and the interest on the new note, he pays in cash.

Pay (at Mer. Emp.) Stevens Bros. & Selden, cash for invoice Nov. 12.

Discount at C. N. Bank the note received of Larkin & Pease 10th inst. and receive credit for the proceeds. The bank charges ¼ per cent. for collection, in addition to the discount.

Sell Olcott & Moore, City, for cash, 5 bbls. A. Sugar, 5 bbls. G. Sugar, 5 bbls. Y. C. Sugar.

Pay (at Mer. Emp.) Crandall & Co., by check, in full of invoices Jan. 4 and Jan. 9, less 1½ per cent. discount.

Deposit all your cash except $50.

Prove and balance the cash. Post the day's business and make daily statement.

JANUARY 12, 18—

Receive (at Com. Ex.) of E. D. Carpenter & Co., to balance account, their note dated at the equated date of payment of their acct. at 60 ds. with interest, payable at Genesee Valley National Bank, as per statement sent them 8th inst.

Buy by check a New York draft at ¼ per cent. exch., and remit same to Robt. H. Boyd & Co. in payment of invoice Nov. 12.

Sell Howard O. Strong, City, 60 ds. on acct., 10 pkgs. B. Chocolate, 5 bbls. O. Crackers, 1 bbl. N. O. Molasses, 5 bxs. L. L. Raisins, 5 bbls. Y. C. Sugar.

Receive (at Com. Ex.) of Holliway & Holliway, cash in full of invoices Jan. 4 and Jan. 11, less the credit for Mdse. returned 9th inst., and less 2 per cent. discount on the net amount.

C. N. Bank has received returns from the C. O. D. shipment to Leach & Hanford 6th inst. Present your Pass-Book and get credit for the same, less collection ¼ per cent.

Average Clark, Endicott & Fielding's account, and remit them a New York draft to balance, with interest added, or discount deducted, as the case may be. Buy the draft at C. N. Bank by check at ¼ per cent. exch.

Pay (at Com. Ex.) "Evening Post's" bill for printing, in cash, $8.75.

Buy of Stevens Bros. & Selden, City, at 2½ per cent. disct. for cash, 50 bxs. E. Soap.

Discount at C. N. Bank, Edgar H. Collins's note and receive credit. The Bank charges ¼ per cent. for collection in addition to the discount.

Sell D. H. Johnson, City, for cash, 25 bbls. O. Salt, 200 bags F. T. Salt, 10 bxs. E. Soap.

Your friend and customer, Mr. Chauncey Odell, of the firm of Odell & Moffett, has business to transact in Baltimore. Being a stranger in that city, and needing the assistance and influence of a responsible party there, you will favor him with a letter of introduction to Messrs. Robt. H. Boyd & Co. Knowing Mr. Odell as a thoroughly honorable and reliable gentleman, you can solicit for him the kindly offices of Messrs. B. & Co. with perfect confidence.

H. Pell & Co. have returned (at Com. Ex.) accepted, payable at Farmers Bank, the draft sent them 8th inst.

Pay drayage for the day, in cash, $1.50.

Deposit in C. N. Bank, cash, $650.

Prove and balance the cash, post the day's business and make daily statement.

JANUARY 13, 18—.

Your acceptance favor of Orton & Co. has been paid and charged in at C. N. Bank.

Receive (at Com. Ex.) cash of Howard O. Strong for invoice Jan. 3, less 2 per cent. discount.

F. C. Budlong's acceptance has been paid. Present your Pass-Book at C. N. Bank and receive credit, less ¼ per cent. collection.

Pay (at Com. Ex.) in cash, the Due-Bill given to Frank W. Brown 10th inst.

Sell Martin & Bishop, Gainesville—, 60 ds. on acct., 5 bbls. A. Sugar, 10 cans Epps' B. Cocoa, 10 pails Mackerel, 4 pkgs. G. Matches, 10 bbls. P. G. Starch, 25 bbls. O. Salt, 300 bags F. T. Salt, 40 bxs. E. Soap, 20 bxs. L. L. Raisins, 35 pkgs. N. Yeast.

Pay (at Mer. Emp.) Alex. Mitchell cash in full of invoices Jan. 2 and Jan. 10, less 2 per cent. discount.

Pay (at Com. Ex.) balance due employes on salaries for the week, in cash, $135.

Kauffman & Co. pay their account in cash, deducting the order drawn on them 11th inst. favor Chas. Williams.

Receive (at Com. Ex.) of Ballantyne Bros., to balance account, their check on Citizens Bank, Geneva, with interest added, or discount deducted, as the case may be, from this date to average date of payment.

Give (at Mer. Emp.) Myers & Arkwright your check for invoices Jan. 3 and Jan. 10, less the goods returned 9th inst., and less 1 per cent. discount on the net amount.

Pay drayage for the day, in cash, 50 cts.

Deposit Ballantyne & Bros. check and all the currency on hand. The check being for so large an amount, the Bank deducts only ⅛ per cent. for collection.

Prove and balance the cash, post, make daily statement, take a trial balance and hand to the teacher.

Draw a check in favor of the teacher for the amount you have in C. N. Bank, and hand same to him, together with your books and business papers, for examination.

DICTIONARY OF COMMERCIAL WORDS AND PHRASES.

ACCEPTANCE.—Agreeing to the terms proposed; the acceptor's name written on the face of a bill of exchange or draft, usually with the word "Accepted"; bill of exchange or draft when accepted.

ACCOMMODATION PAPER.—Notes or acceptances drawn for the purpose of being discounted, and not founded on an actual sale of goods; notes or bills signed and accepted without consideration; notes drawn by merchants for like amounts and exchanged for their mutual accommodation.

ACCOUNT CURRENT.—A running account. A detailed statement of the transactions between two persons or firms, usually expressed in the form of debtor and creditor.

ACCOUNT SALES.—An itemized statement of sales and expenses, sent by a commission merchant to his principal. It exhibits the quantities and prices of the goods sold, the commissions and other charges, and the net proceeds.

ACCRUED.—Interest accumulated and unpaid.

ACKNOWLEDGE.—In commercial correspondence, the term by which the receipt of a letter, remittance, or order, is admitted.

ACKNOWLEDGMENT.—A formal admission made before an officer, that the act described was voluntarily done. The officer's certificate of the admission is also called an acknowledgment.

ADMINISTRATOR.—One that is appointed by the court to settle an estate.

AD VALOREM.—According to value. A custom house term, relating to the estimating of duties upon the value of imported goods.

AFFIDAVIT.—A written declaration under oath.

APPRAISAL.—The act of placing a value on goods.

ARBITRATION.—The adjustment of a disputed point by a person or persons chosen by the parties in dispute.

ASSETS.—A term commonly used in trade to designate the funds, property, or effects, that is, the stock in trade, cash, and all the available property of a merchant, in contradistinction to his liabilities or obligations.

ASSIGNEE.—A person to whom the property of a bankrupt or an insolvent debtor is transferred for the benefit of the insolvent's creditors.

ASSIGNMENT.—The act of transferring property to the assignee.

ATTACHMENT.—A warrant for the purpose of seizing a man's property.

AUDITOR.—An officer appointed by the government, or by any corporation, to examine claims upon the treasury, and to investigate the treasurer's accounts.

AUXILIARY.—Applied to various account books that are kept as aids to the principal books

BALANCE OF TRADE.—The difference between the value of the commercial imports and exports of any country.

BANK-BOOK.—A pass book carried by a depositor, in which the teller of a bank records deposits, and in which the book-keeper enters the paid checks at stated intervals.

BANK BILLS OR NOTES.—Promissory notes printed by the government and issued by national banks, payable on demand, and used as money.

BANKRUPT.—One who is unable to pay his debts, and who fails in business.

BILL.—A statement in writing, as a list of items bought or sold, or of services rendered. The common term applied to a note or draft.

BILL OF EXCHANGE.—An order for the payment of money, usually drawn on a person living in a foreign country, the term draft being used to designate bills that are payable in the same country in which they are drawn.

BILL OF LADING.—A written account of goods shipped and the conditions of shipment, having the signature of the carrier's agent, and given to the shipper as a receipt.

BILL OF SALE.—A writing given by the seller to the buyer, transferring the ownership of personal property.

BOARD OF TRADE.—An association of business-men for the regulation and advancement of commercial interests.

BONDED GOODS.—Those which are stored in a bonded warehouse, or in bonded cars, the owner having given bonds securing the payment of import duties or of internal revenues, upon their removal, or their arrival at some inland city of entry, and before a specified time.

BONUS.—A premium given on a loan, or for any favor shown.

BROKER.—An agent who effects sales or purchases or who makes loans and contracts for another. Also a term applied to one who deals in stocks. A broker does not usually have possession of the property which he sells or buys as agent.

BULLION.—Uncoined gold or silver.

BUSINESS.—Exchange of commodities and of commercial values. Also a term representing one's occupation.

CAPITAL.—The investment in business.

CASH SALES.—The sales made for ready money in contradistinction to sales on which credit is given.

CERTIFICATE.—A written voucher attesting to some fact; as a certificate of deposit, a certificate of stock.

CERTIFIED CHECK.—One which has been certified or accepted by the bank on which it is drawn, making the bank responsible for its payment.

CHARTER.—A paper from government defining the rights and privileges of corporations. To hire or let an instrument of transportation; as, a ship, a railway car.

CHATTEL.—Any kind of property except real estate, as, merchandise, notes and accounts, animals, leases of real estate, etc.

CHECK.—An order on a bank drawn by a depositor.

CLEARING HOUSE.—A kind of banking exchange, established in some of the large cities for the convenience of daily settlements; the drafts and checks on each other are mutually exchanged without the individual presentation of each at the banks, and a balance struck, which balance only is paid in cash.

COLLATERALS.—Pledges of stocks, notes, or chattels, for security of loans and other indebtedness.

COMMERCE.—The business of exchanging commodities between different places; mercantile business in general, as carried on between individuals or companies of different countries, or of the same country; and in a restricted sense, the shipping which belongs to a country.

COMMERCIAL PAPER.—Bills of exchange, drafts, and notes, given in the course of trade.

COMMISSION.—A percentage given for the sale or purchase of goods, or the transaction of other business; the order or authority by which one person transacts business for another.

COMMON LAW.—Law based upon the precedent of usage, and not contained in the statutes enacted by legislative bodies.

COMPANY.—A corporation. A term used in a firm name to designate other partners whose names are not given.

COMPOUND, OR COMPROMISE.—To settle a claim by paying or receiving only a part of the amount. To agree upon a settlement based upon mutual concessions.

CONSIGNEE.—One to whom goods are sent.

CONSUL.—An agent for a government, residing at a seaport in a foreign country, and guarding the commercial interests of his own country.

CONTRA.—On the opposite side.

COPARTNERSHIP.—The joining of two or more persons into one firm for the purpose of carrying on any enterprise. It has the same meaning as partnership.

COPYRIGHT.—The right granted by government to an author to control the publication of any book or work.

COUNTERFEIT.—A spurious bank bill; a forgery.

COUNTING-ROOM.—A room in which merchants keep their accounts and transact business.

COUPON.—An interest note or a certificate attached to a bond which is cut off from the bond and collected when due

COURSE OF EXCHANGE.—The sum merchants pay for bills of exchange to enable them to make remittances from one country to another.

CREDENTIALS.—Testimonials giving authority

CREDITOR.—One giving credit; one whom we owe

CURRENCY.—The paper money or the coin which constitutes the circulating medium of a country; that which passes for money in a country.

DAYS OF GRACE.—Negotiable promissory notes or bills of exchange, payable at a certain time, are entitled to three days delay beyond the time expressed, which are called days of grace, unless "without grace" is expressed on the paper. These days were so called because they were formerly gratuitously allowed. But now, in the United States and England, they are demanded of right, the custom having passed into law.

DEBTOR.—One who owes a debt.

DEED.—A written contract under seal, usually transferring the ownership of real estate.

DEFALCATION.—Deduction or discount. Embezzlement of money by an officer having it in charge

DEPOSIT.—To commit to the care of another; especially to place money in bank subject to our order.

DISHONOR.—A failure to pay an obligation when due. A failure to accept a draft when presented for acceptance.

DIVIDEND.—The portion allotted to each stockholder in the division of profits

DOWER.—The right of a widow to a life interest in one-third of all the real estate owned by her husband at any time after their marriage.

DUE-BILL.—A brief, written acknowledgment of a debt, having the effect of a promissory note.

DUNNING.—Soliciting payment for a debt; or the urgent pressing of the payment of a debt.

EARNEST.—Part of purchase money paid, on part of goods delivered to bind a verbal contract.

EMBEZZLEMENT.—A fraudulent appropriation of money entrusted to one's care.

EMPORIUM.—A commercial center.

ENDORSE, OR INDORSE.—To write one's name on the back of a commercial paper. To receipt a partial payment on the back of a note or bill.

ENGROSS.—To copy in manuscript.

EQUITY.—The science of right and justice, which often corrects the application of law in a particular case.

EXCHANGE.—The giving of one value for another The process of remitting money values by means of bills and drafts. The discount or premium arising from the purchase or sale of different classes of paper.

EXECUTION.—A written direction given to an officer authorizing him to enforce a judgment. The act of signing and sealing a legal instrument.

FAC SIMILE.—An exact copy.

FEE SIMPLE.—The absolute ownership of real estate.

FINANCIER.—One having charge of the public revenues. One skilled in money matters.

FISCAL.—Pertaining to the public treasury or revenue. As, the fiscal year, meaning a financial year as reckoned by the department of finance.

FIXTURES.—The furnishings of a store or office that are not movable.

FOLIO.—The page of an account book.

FOOTING.—The amount of a column of figures.

FORGERY.—The act of fraudulently writing or altering a written document.

FREE TRADE.—Commerce between nations unrestricted by duties or tariff regulations.

FREIGHT.—Merchandise being transported. The price paid for transportation.

GAUGING.—The process of measuring the contents of casks.

GOOD WILL.—The reputation and patronage that pertains to an established business. The good will of a business is very frequently the subject of purchase and sale.

GREENBACKS.—United States notes, as distinct from national bank notes.

GROSS WEIGHT.—Weight of merchandise, including the case or wrapping.

GUARANTEE, OR GUARANTY.—A surety for the performance of a contract, in case the party making the contract fails to keep it. A security against loss.

HONOR.—To accept a draft, or to pay it when due.

INDEMNITY.—Security against loss, such as may occur, or has occurred, by reason of some particular or specified event, as in case of ordinary insurance against loss by fire, etc.

INDENTURE.—A mutual agreement in writing between two or more parties.

INDORSEMENT.—A writing on the back of any commercial paper.

INFRINGEMENT.—To trespass upon the rights of another, especially when granted some special right by law, such as a copyright, a patent, or a trade mark.

INJUNCTION.—A writ or process by which a party is required to do or to refrain from doing a special act.

I. O. U.—I owe you—an acknowledgment of indebtedness, by the signer to the holder, for the amount.

Insolvency.—The condition of one who is unable to pay his debts or meet his commercial obligations.

Installment.—Part of a sum of money paid or to be paid.

Instant.—Referring to the present month; as, the sixth instant means the sixth day of the present or current month. Abbreviated *inst.*

Intestate.—Dying without having made a will.

Inventory.—A schedule or list of the goods, wares and merchandise generally, credits and assets of a merchant, made out in minute detail, each article being set down separately, and separately valued, usually, according to its then cash value; the whole list being then entered in a book called an inventory book.

Invoice.—An itemized bill of merchandise bought, sold or shipped.

JOBBER.—A wholesale merchant who buys goods from the importers and manufacturers, and sells to country or other merchants and to retailers.

Joint Stock.—Property held in common by a company of men, each of whom is called a stockholder.

Judgment.—The decree of a court enforcing a contract or redressing a wrong.

LAW MERCHANT.—Commercial law, or such customs and usages in commercial transactions, as being recognized by the higher courts as establishing rules of action, thus acquire the force of law.

Lease.—The letting of land and other property for hire. The contract for such letting, usually written, but sometimes verbal when the contract terminates within a year.

Legacy.—A gift of property by will.

Legal Tender.—That kind of money which legally can be offered in payment of a debt.

Letter of Credit.—A letter, usually addressed to banking houses in foreign cities, authorizing the holder to receive credit for a stated amount. They are used mainly by travelers.

Liabilities.—The pecuniary obligations of a merchant, which includes his bills payable and all his other debts.

License.—Permission or liberty to prosecute business or to sell.

Lien.—The right of holding or detaining the property of another until some legal claim be satisfied.

Liquidate.—To pay or settle a claim.

MAKER.—The signer of a note.

Manifest.—An invoice or schedule of a ship's cargo.

Maturity.—The date when commercial paper becomes payable.

Merchandise.—In its most comprehensive signification embraces every article dealt in by a merchant.

Money.—Any coin or currency lawfully employed as a representative of value in buying and selling.

Monopoly.—The sole right to make or sell a certain article. The exclusive control of anything.

Mortgage.—The written pledge of real estate or chattels to secure payment of a debt.

NEGOTIABLE.—A term applying to commercial paper, that may be transferred by endorsement, or simply by delivery.

Net.—Clear of all charges. The exact weight or amount after all deductions are counted out.

Net Proceeds.—The proceeds of a sale after all expenses are deducted.

Notary, or Notary Public.—An officer who acknowledges deeds and other commercial papers; but whose chief business is to protest paper for non-acceptance and non-payment.

OPEN ACCOUNT.—A running account on a merchant's books, of debits or credits, with an individual or firm.

Open Policy.—One intended to cover all goods shipped by a certain person within a specified time; each special shipment and the amounts of insurance to be indorsed upon the policy, as the shipments are made.

Outlawed.—A term applied to a debt which has run beyond the time when the law will enforce its payment.

Overdrawn.—To draw a greater sum than one has to his credit.

PAR.—Equal in value. Any paper is at par when it is worth its face value, without premium or discount.

Parol.—Oral, not written. Also applied to written contracts not under seal.

Partnership.—The association together of two or more persons in any occupation.

Par Value.—The nominal value; usually the printed or written value of any paper.

Pass-Book.—A book in which a trader enters articles bought on credit. It is usually carried by the purchaser, and is presented for record when the purchases are made.

Patent.—An official document securing to a person for a term of years, the exclusive right to an invention.

Pawn.—A deposit or pledge, given as security for a loan. The term only applies to chattels or money, and not to real estate.

Payee.—The one to whom payment is to be made; especially in whose favor a paper is drawn.

Payer.—The one who pays or is under obligations to pay.

Personal Property.—All property except real estate; chattels.

Plaintiff.—One who brings a personal action in law against another party who is called the defendant.

Power of Attorney.—A written instrument giving an agent authority to act for his principal. An agent thus empowered is called an Attorney in Fact.

Preferred Stock.—Stock taking preference over the ordinary stock of a corporation. A dividend is declared and paid on preferred stock before any can be declared on common stock.

Prima Facie.—At first view. Prima facie evidence is that evidence which is sufficient unless rebutted.

Promissory Note.—A written promise to pay a certain sum of money unconditionally, at a specified time.

Pro Rata.—A proportional distribution.

Protective Tariff.—Rates of duty fixed higher than the uniform rates, on certain imported commodities, for the protection of home manufacturers.

Protest.—A formal declaration made by a notary public, of the non-payment of a note, or non-acceptance and non-payment of a draft.

QUARANTINE.—Restraint of intercourse to which a ship, dwelling, or town is subjected on account of being infected with some contagious disease.

Quotations.—The published prices of merchandise, rates of freight, rates of exchange, etc.

RATIFY.—To sanction or approve; usually applied to a principal's approval of an agent's transactions.

REBATE.—A discount, or an allowance from the stipulated price, made in consideration of prompt payment, or for other reasons.

RECEIVER.—A person appointed to take charge of the affairs of a corporation on its dissolution, and to distribute its property according to law.

REMITTANCE.—The act of transmitting money values from one place to another. The value sent is called a remittance.

RESOURCES.—Money, property, or that which can be converted into property; as, claims against other people, either on written or verbal promises.

REVOCATION.—The recall of authority conferred on another; as the revocation of an agency.

SALVAGE.—An allowance made by law to those who save a ship's cargo from a wreck or fire.

SET-OFF.—A counter claim. A claim which the debtor or defendant brings to reduce the claim of a creditor or plaintiff.

SOLVENT.—Being able to pay one's liabilities.

STATEMENT.—A list of resources and liabilities. A report of an agent's transactions sent to his principal. An itemized list of the debits and credits of any personal account; as, monthly statements sent by wholesale dealers to their customers.

STATUTE.—A law enacted by a legislature.

STOCKHOLDER.—One who owns shares of the capital stock of a corporation.

SUE.—To bring an action against one in law.

SURETY.—A person who has made himself responsible for the contract of another.

SYNDICATE.—A number of capitalists who unite together to dispose of a large loan, or to conduct some great financial enterprise.

TACIT.—That which is understood or implied.

TARE.—An allowance made for the weight of boxes, barrels, or wrappings of merchandise. The remainder after deducting the tare is called net weight.

TARIFF.—A list of prices; as, a freight tariff. A list of duties or customs on imports or exports.

TELEGRAM.—A dispatch or message received or transmitted by the electric telegraph.

TELLER.—One who receives or counts. A bank officer who receives or pays out money.

TICKLER.—A book containing a memorandum of notes and debts, arranged in the order of their maturity.

TRADE DISCOUNT.—A discount from certain list prices, or from the amount of purchases, made to a dealer on account of a change in the prices, or on account of cash payments.

ULTIMO.—The last month preceding the present; as, on the twentieth ultimo, meaning the twentieth of last month. Abbreviated *ult.*

USURY.—Interest in excess of the highest rate allowed by law.

VALID.—A term applied to a contract that is properly executed; that is, legal or binding.

VOID.—Having no legal or binding force.

VOUCHER.—A document or paper proving that some transaction occurred; as, a receipt or a canceled note is a voucher for the payment of money.

WARRANTY.—An agreement to become responsible, if certain facts do not turn out to be as represented.

WAY-BILL.—A paper containing a list and description of goods sent by railroad.

WHOLESALE.—To sell goods in quantity; usually, in unbroken or whole packages.

ABBREVIATIONS AND CONTRACTIONS.

a or @ (L. *ad*). To *or* at.
A. or *Ans.* Answer.
A 1. First Class.
Acc., *Acct.*, or *%c.* Account.
Acct. Cur. Account Current.
Acct Sales Account of Sales.
Agt. Agent.
Admr. Administrator.
Admx. Administratrix.
Adv. Advertisement; Advocate; Advent; Adverb.
Ala. Alabama.
A. M. (L. *Artium Magister*). Master of Arts.—(L. *Ante Meridien*). Before noon.—(L. *Anno Mundi*). In the year of the world.
Am., *Amer.* American.American
Amt. Amount.
Ans. Answer.
App. Appendix.
Apr. April.
Ariz. Arizona Territory.
Ark. Arkansas.
Ass'd. Assorted.
Asst. Assistant.
Aug. August.
Bal. Balance.
Balt. Baltimore.
B. B. Bill Book.
Bbl. Barrel, Barrels.
Bdls. Bundles.
Bgs. Bags.
B. I. British India.
Bk. Bank; Book.
Bkts. Baskets.
B/L Bill of Lading.
Blk. Black.
Bls. Bales.
Bot. Bought.
Bro't. Brought.
B/S Bill of Sale.
Bu. Bushel.
Bx. Box or Boxes.
c. Cents.
c/o In care of.
Cal. California; Calendar.
Capt. Captain.
Cash. Cashier.
C. B. Cash Book.
C. H. Court-House; Custom-House.
Cks. Casks.
Clk. Clerk.
Co. Company, County.
C. O. D. Cash (or Collect) on Delivery.
Coll. College; Collector; Colleague.
Con. (L. *contra*). Against; In opposition.
Cr. Credit.
Conn. or *Ct.* Connecticut.
Cor. Sec. Corresponding Secretary
Cr. Credit; Creditor.
Ct. Connecticut; Count; Court.
Ct. or *ct.* Cent.—(L. *Centum*). A hundred
Cts. or *cts.* Cents.
Cwt. or *cwt.* (L. *Centum*, 100, and E. *weight*). A hundred weight,
Dak. Dakota
D. B. Day Book.
D. C. District of Columbia.—(It. *Da Capo*). Again, *or* From the beginning.
d. d. Days after date.
Dec. December.
Del. Delaware; Delegate.
Dept. Department; Deponent.
Dft. or *dft.* Draft; Defendant.
Disct. Discount.
Div. Dividend; Division; Divide; Divided; Divisor.
Do. or *do.* (It. *Ditto*). The same.
Doz. or *doz.* Dozen.
Dr. Debtor; Doctor.
Dray. Drayage.
d. s. Days after sight.
D. T. Dakota Territory.
ea. Each.
E. and O. E. Errors and omissions excepted.
Ed. Editor; Edition.
E. E. Errors excepted; Ells English.
e. g. (L. *exempli gratia*). For example.
Esq. or *Esqre.* Esquire.
Etc., *etc.*, or *&c.* (L. *et cæteri*, *cæteræ*, or *cætera*) and others; and so forth.
Exch. Exchequer; Exchange.
Exec. or *Exr.* Executor.
Execx. or *Ex'x.* Executrix.
Exp. Export; Exporter; Expense.
Feb. February.
Fir. or *fir.* Firkin.
Fla. Florida.
Fo. or *Fol.* Folio.
F. O. B. Free on Board.
Fo'd. Forward.
Fr't. Freight.
Ft. or *ft.* Foot; Feet; Fort.
Fth. Fathom.
Fur. or *fur.* Furlong.
Ga. Georgia.
Gal. or *gal.* Gallon; Gallons.
Gr. or *gr.* Grain; Grains.
Hdkf. Handkerchief.
Hf. chts. Half Chests.
Hhd. or *hhd.* Hogshead.
Hon. Honorable.
Hund. Hundred.
I. B. Invoice Book.
I. e. or *i. e.* (L. *Id est*). That is.
Ill. Illinois.

In. Inch; Inches.
Ind. Indiana; India; Indian; Index.
Ind. T. Indian Territory.
Ins. Insurance.
inst. Instant,—in the present month.
Int. or *int.* Interest.
In trans. (L. *In transitu*). In the passage.
Inv. Invoice.
Inv't. Inventory.
I. O. U. I owe you—an acknowledgement for money.
$\frac{J}{a}$ Joint account.
Jan. January.
Jr. Junior.
Kan. Kansas.
Ky. Kentucky.
Kg. Keg.
L., lb., or ℔. (L. *Libra*). A pound, in weight.
L., l., or £. A pound sterling.
La. Louisiana.
Lat. or *lat.* Latitude.
$\frac{L}{c}$ Letter of Credit.
Led. Ledger.
L. F. Ledger Folio.
L. S. Left side.—(L. *Locus Sigilli*). Place of the Seal.
Man. Manitoba.
Manuf. Manufacture; Manufacturer.
Mar. March; Maritime.
Mass. Massachusetts.
Md. Maryland.
Mdse. Merchandise.
Me. Maine.
Mem. Memorandum.
Messrs. or *MM.* (F. *Messieurs*). Gentlemen; Sirs.
Mich. Michigan; Michaelmas.
Minn. Minnesota.
Miss. Mississippi.
Mme. Madame.—*Mmes.* Mesdames.
Mo. Missouri.
Mo. or *mo.* Month.
Mon. Monday.
Mont. Montana
Mr. Master, *or* Mister.
Mrs. Mistress, *or* Missis.
MS. Manuscript.
MSS. Manuscripts.
N. A. North America.
N. B. New Brunswick.—(L. *Nota Bene.*) Note well, *or* take notice.
N. C. North Carolina.
Neb. Nebraska.
Nev. Nevada.
N. F. New Foundland.
N. H. New Hampshire.
N. J. New Jersey.
N. Mex. New Mexico Territory.
No. or ♯. (L. *Numero.*) Number.
Nov. November.
N. P. Notary Public.
N. S. Nova Scotia; New Style (since 1752).
N. Y. New York.
O Ohio; Old.
%. Per cent.
Oct. October.
O. K. All Correct.
Ont. Ontario.
Oreg. Oregon.
Oz. or *oz.* Ounce or ounces.
P. or *p.* Page; Pint; Pole; Part.
℔. Per.
Pa. or *Penn.* Pennsylvania.
Payt. Payment.
Pd. Paid.
Per an. or *per an.* (L. *Per annum.*) By the year.
Per cent., per cent., Per ct., or *per ct.* (L. *Per centum.*) By the hundred.
Pk. or *pk.* Peck.
Pkg. Package.
P. M. Post-Master; (L. *Post Meridiem.*) After-noon.
P. O. Post-Office.
P. O. D. Pay On Delivery.
P. O. O. Post-Office Order.
pp. Pages.
Pr., pr., or ℔. (L. *per.*) By.
Prem. Premium.
P. S. (L. *Post scriptum.*) Postscript.
Pcs. Pieces.
Pub. Public; Publisher.
Pwt. or *pwt.* Pennyweight.
Qr. or *qr.* Quarter (28 pounds); Quire.
Qt. or *qt.* Quart; Quantity.
Recd. Received.
Ret'd. Returned.
R. I. Rhode Island.
R. R. Railroad.
$. Dollar; Dollars.
S. A. South America; South Africa.
Sat. Saturday.
S. B. Sales Book.
S. C. South Carolina; Small Capitals.
Sep. or *Sept.* September.
Shipt. Shipment.
Sr. Senior.
S. S. Steamship.
St. Saint; Street; Strait.
Str. Steamer.
Sun. or *Sund.* Sunday.
Sunds. Sundries.
Supt. Superintendent.
Tenn. Tennessee.
Tex. Texas.
Thurs. Thursday.
Treas. Treasurer.
Ult., ult., or *ulto.* (L. *ultimo.*) Last, *or* of the last month
U. S. A. United States of America; United States Army
U. S. M. United States Mail.
Utah. Utah Territory.
Va. Virginia.
Vice Pres. Vice President.
Viz. or *viz.* (L. *videlicet.*) Namely; To wit.
Vol. or *vol.* Volume.
Vt. Vermont.
Wash. Washington
Wed. Wednesday.
W. I. West India; West Indies.
Wis. Wisconsin.
Wt. or *wt.* Weight.
W. Va. West Virginia.
Wyo. Wyoming
Y or *Yr.* Year.
Yd. or *yd.* Yard.

BUSINESS FORMS.

RECEIPT.—TO APPLY ON ACCOUNT.

175\frac{80}{100}$. BOSTON, Aug. 8, 189–.

Received of ——Harrison & Emmons,——
One Hundred Seventy-five $\frac{80}{100}$ ——Dollars,
to apply on account.

L. J. MUNSON.

RECEIPT.—IN FULL OF ACCOUNT.

1128\frac{89}{100}$. WASHINGTON, D. C., Jan. 1, 189–.

Received of ——Troup & Scott——
Eleven Hundred Twenty-eight $\frac{89}{100}$ ——Dollars,
in full of account to date.

N. E. NORRIS.

RECEIPT.—IN FULL FOR CERTAIN CREDIT.

33\frac{85}{100}$. FONDA, N. Y., Sept. 1, 189–.

Received of——Benjamin F. Hunter,——
Thirty-three $\frac{85}{100}$ ——Dollars
in payment invoice Aug. 8, $35.63 less 5% discount.

THE SCOTT JENKINS HAT CO.
Per. FRANK POOL.

RECEIPT.—PAYMENT ON NOTE.

75\frac{00}{100}$. LITTLE FALLS, VT., Jan. 1, 189–.

Received of——Wallace B. North,——
Seventy-five——Dollars,
as a partial payment on his note under date Nov. 1, 1889, for Three Hundred Dollars payable to ourselves.

NELLIS & LEE.

DUE BILL.—PAYABLE IN GOODS.

28\frac{30}{100}$. EASTON, PA., Jan. 8, 189–.

Due —— Paul Winder,——
Twenty-eight $\frac{30}{100}$——Dollars,
in goods from our store.

SCRANTON & CO.

DUE BILL.—PAYABLE IN MONEY.

16\frac{85}{100}$. BANGOR, ME., Jan. 11, 189–.

Due —— Howard Paulding,——
Sixteen $\frac{85}{100}$ ——Dollars,
on demand.

BENNINGTON BROS. & CO.

ORDINARY PROMISSORY NOTE.

500\frac{00}{100}$. GREEN ISLAND, N. Y., Apr. 22, 189–.

Two months after date, I promise to pay ——
Jackson & Co.,——or order,
Five Hundred $\frac{00}{100}$——Dollars,
value received, with interest. Payable at First Nat'l Bank.

EDWARD M. LIVINGSTON.

PROMISSORY NOTE—ENDORSED.

2500\frac{00}{100}$. GLOVE CITY, N. Y., Nov. 1, 189–.

Thirty days from date, I promise to pay——
The Dan'l Dunning Glove Co.,—— or order,
Twenty-five Hundred $\frac{00}{100}$ —— Dollars,
value received, payable at the office of the Company, with interest.

Note endorsed by
E. M. MOODY,
E. M. BROWN.

MARK STOVER.

PARTNERSHIP NOTE.

5000\frac{00}{100}$. LANSING, N. Y., July 11, 189–.

Thirty days after date, we promise to pay ——
——Lawrence E. Jefferson,—— or order,
Five Thousand $\frac{00}{100}$ ——Dollars,
value received, with interest. Payable at the First Nat'l Bank.

WOODWARD & CO.

JOINT NOTE.

128\frac{50}{100}$. LAWRENCE, N. Y., June 1, 189–.

Thirty days after date, we promise to pay——
——James H. Griffis,—— or order,
One Hundred Twenty-eight $\frac{50}{100}$——Dollars,
value received, with interest, at Mechanics Bank.

FRANK R. COOPER.
WM. T. SPAULDING.

JOINT AND SEVERAL NOTE.

300\frac{75}{100}$. DOVER, MASS., Jan. 1, 189–.

One year from date, we, or either of us, promise to pay——Nelson P. Livingston, —— or order,
Three Hundred $\frac{75}{100}$ —— Dollars,
value received, with interest. Payable at the Farmers and Traders Nat'l Bank.

EDWARD R. GOODBY.
JNO. M. GRAHAM.

BANK NOTE.

500\frac{00}{100}$. DENVER, COL., June 1, 189–.

Thirty days after date, I promise to pay——
——Dan'l M. Tomlinson, cashier, —— or order,
Five Hundred —— Dollars,
value received, with interest. Payable at Colorado Nat'l Bank.

Endorsed on back by
L. N. JONES,
P. L. BEEMIS.

MURRAY E. HOMER.

CERTIFICATE OF DEPOSIT.

Certificate of Deposit.

No. 1387. **Union Bank of Amboy.**

Amboy, N. Y., Aug. 18, 189–.

This is to Certify, That C. V. Cushman

HAS DEPOSITED IN THIS BANK

Fifteen Hundred Dollars,

Payable to the order of himself, on return of this Certificate in current funds, with 6 per cent. interest per annum, if left 3 months.

No interest after due.

$1500.00. A. J. Smith, Cashier.

CERTIFIED CHECK.

[Written across the face of the check.]
Good when properly endorsed.
Third National Bank,
E. W. Scott,
Cashier.

No. 954. Rochester, N. Y., June 1, 189–.

THIRD NATIONAL BANK,

Pay to the order of Charles Mitchell,

Three Hundred $\frac{00}{000}$ Dollars.

$300.00. MORRIS & CO.

FORMS OF ENDORSEMENT.

(Blank.)

JAMES W. MOODY.

(Full.)

Pay to the order of Erastus F. Jones.
JAMES W. MOODY.

(For Money Paid.)

$150.00. Received on the within note
One Hundred and Fifty Dollars.
Oct. 15, 189–.
JAMES W. MOODY.

(Without Recourse.)

Pay to Henry Sherwood, or order, without recourse.
JAMES W. MOODY.

(For Collection.)

Pay to Seventh National Bank, Green Island, for collection.
JAMES W. MOODY.

INVOICE.

Columbus, O., May 18, 189-.

Mr. E. M. North, *Johnstown, Pa.,*

Bought of SIMMONS & CO.,

GENERAL GROCERS AND COMMISSION MERCHANTS.

TERMS:—30 DAYS.

1	brl. 25 c. A Sugar, 212—18, 194,	7¢	13	83		
1	box London Layer Raisins,		2	50		
6	brls., Petroleum, 150°, 40, 41, 42, 40, 43, 42, 248 gals.,	12¢	29	76		
			46	09		
	Cartage,		1	00	47	09
	O. & M. R. R.					

BILL-STATEMENT.

Columbus, N. C., Jan. 31, 189-.

Mr. Nelson Beechler,

To BLACKMORE BROS. & CO. Dr.

PLUMBERS AND GAS FITTERS.

Jan.	1	For 14 hours on Water Pipe,	40¢	5	60		
		" 14 " " " " helper,	25¢	3	50	9	10
	5	Repairing Gas,				2	50
	10	28 ft. ½-in. Galv. Pipe,	8¢	2	24		
		2 ½-in. T's,	10¢		20		
		Cutting Pipe,			40	2	84
						14	44

MANIFEST.

MANIFEST No. 876.

Scranton, Pa., April 2, 189-.

Shipment Coal by Merriam, Wheeler & Co.,

Miners Anthracite Coal.

For Ward, Johnson & Co., Brockport, N. Y.

DATE.		CAR.		ANTHRACITE.											
		NO.	LETTERS.	GRATE.		EGG.		STOVE.		NO. 4.		NUT.		PEA.	
189-.				T.	CWT.	T.	CWT.	T.	CWT.	T.	CWT.	T.	CWT.	T.	CWT.
April	2	287B	D. L. & W.									11	16		

INVOICE OF COAL.

Scranton, Pa., April 30, 189-.

Messrs. Ward, Johnson & Co., Brockport, N. Y.

Bought of MERRIAM, WHEELER & Co.,

Miners and Shippers of Anthracite Coal.

TERMS:—30 DAYS, NET.

MANIFEST.					ANTHRACITE.																	
NO.	DATE.		CAR. NO.	CAR. LETTER.	GRATE. T.	GRATE. C.	EGG. T.	EGG. C.	STOVE. T.	STOVE. C.	NO. 4. T.	NO. 4. C.	NUT. T.	NUT. C.	PEA. T.	PEA. C.	PRICE.		AM'TS.		TOTAL.	
	189-.																					
876	April	2	287B	D. L. W.									11	16								
921		10	152	D. L. W.									10	11								
													22	07			3	75	83	50		
946		20	185	D. L. W.			10	07														
985		22	119	D. L. W.			11	02														
							21	09									3	50	75	08	158	89

INVOICE OF GLOVES.

BOOK, *B.*
FOLIO, *146.*
SALESMAN, *Wood.*
SHIPPED, *M. W.*
TERMS, *60 ds. 4% 10 ds.*

Omaha, Neb. June 1, 189-.

Messrs. Morgan, Root & Co.,
Grand Island,

Bought of GARRISON & WOOD,

Jobbers and Importers of Gloves.

DOZS.	KIND.	ASSORTED SIZES.						ASSORTED DOZENS.								PRICE.		AMOUNTS.		TOTAL.	
		7	7^1	7^2	7^3	8	8^2	7	7^1	7^2	7^3	8	8^1	8^2	9						
5	625	1	1	3	4	2	1									10	00	50	00		
10	842	1	1	4	2	2	2									15	00	150	00		
50	785							5	10	10	8	2	5	5	5	8	50	425	00	625	00
	Case	#87	62.																		

STATEMENT.

Olean, N. Y., Jan. 1, 189-.

Messrs. Bonbright & Co., Chautauqua, N. Y.,

In account with **HOOD & CO.,**

Wholesale and Retail Grocers.

189-.							
Dec.	1	Account rendered,				416	50
	1	Bill rendered,	30 ds.	32	50		
	5	" "	30 ds.	18	50		
	10	" "	60 ds.	75	10		
	20	" "	60 ds.	83	75	209	85
						626	35
		Credit.					
Dec.	2	Cash,		300	00		
	10	Note, 30 days,		116	50	416	50
			Debit balance,			209	85
		E. & O. E.					

MONTHLY STATEMENT — DETAILED.

Bolton, O., July 31, 189-.

Mr. Jas. M. Cummings,

Bought of GARRISON & COOPER,

GENERAL GROCERS AND COMMISSION MERCHANTS,

128 Main Street.

189-.							
July	1	Account rendered,				106	50
	2	1 brl. 25 c. A Sugar, 213 lb.—16 lb., 197 lb.	7¢	14	04		
		1 box Oranges,		5	50		
		1 " Lemons,		5	00	24	54
	8	8 bunches Bananas,	1.50			12	00
	15	1 chest, 98 lb.— 12 lb., 86 lbs. Japan Tea,	40¢			34	40
						177	44
		Cr.					
July	2	By check,		100	00		
	8	1 bunch Bananas, damaged,		1	50	101	50
		Balance,				75	94

LETTER OF GUARANTY.

GLOVE CITY, N. Y., June 1, 189-.

Folsom, Donnelly & Co.,
Philadelphia.

Gentlemen:—This will be handed you by Lewis E. Troup who visits your city to purchase his fall and winter stock of dry goods.

We hereby guarantee payment of any credit that he may ask. In the event of any default you will notify us at once.

Respectfully,

GEO. P. LINCOLN & CO.

FREIGHT NOTICE.

Central Transportation Co.

FREIGHT OFFICE, Cor. State and Main Sts.,

Toledo: O., Jan., 189–.

The following consignment to your address is now ready for delivery, and will be put in store at your risk and expense if not removed in twenty-four hours after service of this notice, this Company being no longer liable as carriers.

Station From	Car No.	Charges.
New York.	1387	4 82

Description of Property.

1 box Dry Goods.

Yours respectfully,

H. Withers,

Freight Agent.

PETTY EXPENSE BOOK.

JAN. 2, 189–.

Jan.	2	Pins, 10¢; postage, 50¢,		60
		Laundry, 1.25; Paper, 50¢,	1	75
		Ink, 50¢; Pens, 50¢; Holders, 25¢,	1	25
		Counted as Cash,	3	60
	4	Wrapping Paper,	2	18
		Shoveling Snow,		50
		Stationery, 50¢; Postage, 50¢,	1	00
		Soap, 15¢; Pencils, 25¢,		40
		Counted as Cash,	7	68
	7	Cleaning office,	1	25
		Charity, 25¢; Laundry, 50¢,		75
		Washing windows,		50
		Mending chair,		40
		Total for week,	10	58
		Entered in C. B., fol. 16.		

ORDINARY FREIGHT RECEIPT.

NEW YORK, ALBANY & ROCHESTER RAILROAD COMPANY.

Syracuse Station, *Jan. 4, 189–.*

Received from Shipman & Co., in apparent good condition:

Marked.		Description of Property.	Weight.
W. J. Porter,	All Oils, Molasses or Syrup, Alcohols, Whiskey, Liquors or Fluids of any description, entirely at the Owner's Risk of Leakage; and all Machinery, Castings, Furniture, Wagons, Sleighs, and Toy Goods, at Owner's Risk of Chafing and Breakage.	*25 bbls. Salt.*	*7500*
Albany,			
N. Y.			

Weight subject to correction.

As described above, contents and value unknown, to be transported by the New York, Albany & Rochester Railroad Company, over the line of this Railroad to their warehouse at *Albany*, ready to be delivered at said warehouse, to the consignee or owner, and if the same are consigned to any point beyond the line of this Company's road ready to be delivered at said warehouse, to the next connecting Company or carrier, it being expressly agreed that said property is to be transported upon and in all respects subject to the regulations of the published Tariff of said Company, and to the conditions printed and endorsed hereon, which regulations and conditions form a part of this contract, and the acceptance of this contract is to be deemed evidence of notice of all such regulations and conditions to and of assent thereto by the shipper, consignee and owner of said property; and it being further expressly agreed that this Company assumes no liability, and is not to be held responsible as common carriers, for any loss of or injury to said property after its arrival at its warehouse aforesaid, or for any loss or damage thereto, or any delay in transportation or delivery thereof by any connecting or succeeding Company or carrier.

W. A. Little, *Agent.*

STORAGE RECEIPT.

Portsmouth, Mass., March 1, 189–.

Received on storage account at our Water Street warehouse from Neester Bros. & Co. Two Hundred barrels Newfoundland Cod Oil, "Star" brand. The same are to be returned to them on the payment of storage and the return of this receipt, endorsed by them. Charges and storage five cents per barrel a month. Insured by owners.

Islando W. Phelps.

RAILROAD BILL OF LADING.

CENTRAL TRANSPORTATION COMPANY.

FREIGHT LINE.

☞ All articles entered on this Bill of Lading shall be subject to and governed by the Classification as published by Railroads, and to the rates properly belonging to such classification; and the rates as written in below, shall only apply to such Goods as are included in the class opposite or against which the rates are so written in.

MARKS.

V. J. Sheller,
Batavia,
N. Y.

Subject to the order of Merchants Bank of Toledo, O.

Charges advanced, $4.65.

BILL OF LADING FROM

Toledo, O., to Batavia Depot.

If 1st Class Goods,.....15¢ per 100 lbs.
If 2d Class Goods,.....13¢ per 100 lbs.
If 3d Class Goods,.....10¢ per 100 lbs.
If 4th Class Goods,..... 8¢ per 100 lbs.
If Special,.....¢ per 100 lbs.

Any consignment weighing less than 100 lbs. will be estimated and charged at 100 lbs.

DEPOT:

Corner State and Main Sts.

TOLEDO, O., Jan. 6, 189-.

Received from Carpenter & Co., in apparent good order [except as noted] the following PACKAGES *[contents unknown], marked as in the margin, viz:*

10 brls. Fish.

(UNDER THE FOLLOWING CONDITIONS.)

It being expressly understood and agreed that in consideration of issuing this through Bill of Lading, and guaranteeing a through rate, The Central Transportation Company reserves the right to forward said goods by any Railroad line between point of shipment and destination. The Central Transportation Company, or carriers over whose line they are transported, shall only be responsible as warehousemen, not as common carriers, while the goods are at any of their stations awaiting delivery to the consignees. They will not be liable for any injury to any articles of freight during the course of transportation, occasioned by the weather, accidental delays, or natural tendency to decay, nor from any loss arising from leakage, improper packing, insufficient cooperage or strapping; nor for any loss or damage on any article or property whatever, by fire, or other casualty, while in transit or while in depots or places of transhipment, or at depots or landings at point of delivery; nor for loss or damage by fire, collision, or the dangers of navigation while on seas, rivers, lakes, or canals. No responsibility will be assumed for damage resulting from chafing of goods packed in bales. All necessary cooperage and bailing to be at owners' risk.

No guarantee of special time for delivery of the goods is given—Carriages and Sleighs, Eggs, Furniture, Looking Glasses, Glass and Crockery Ware, Acids, Machinery, Stoves and Castings, Wrought Marble, Musical Instruments, Liquor put up in glass or earthen ware, and all other frail and brittle articles, Fruit and all other perishable goods—will only be taken at the owners' risk of fracture or injury during the course of transportation, loading and unloading, unless specially agreed in writing to the contrary. Gunpowder, Friction Matches, and like combustibles and explosives, will not be received except by special agreement, and all persons procuring the reception of such freight without the knowledge of the carrier will be held responsible for any damage which may arise from it. In the event of the loss of any property for which responsibility attaches under this Bill of Lading to the carrier, the value or cost of the same, at the time and point of shipment is to govern the settlement for the same, except the value of the articles has been agreed upon with the shipper, or is determined by the classification upon which the rates are based, and said carrier shall have the benefit of any insurance effected by or on account of the owner of such goods. It is further stipulated and agreed that, in case of any loss, detriment or damage done to or sustained by any of the property herein receipted for, during such transportation, whereby any legal liability or responsibility shall or may be incurred, that Company alone shall be held answerable therefor in whose actual custody the same may be at the time of the happening thereof. No claim will be allowed for deficiency or damage on packages if receipted for in "good order" at the point to which they are contracted by this bill. No claim will be allowed that arises from insufficient packing or incorrect or inadequate marking. The acceptance of this Bill of Lading or recipt for goods, made subject to the conditions of this Bill of Lading, makes this an agreement between the Central Transportation Company and carriers engaged in transporting said goods and all parties interested in the property. In witness whereof, the agent affirms to 2 Bills of Lading, all of this tenor and date, one of which being accomplished the other to stand void.

E. S. CUTLER, *Agent.*

DRAFT TO ACCOMPANY BILL OF LADING.

$95.00. Toledo, O., Jan. 6. 189-.

At sight,..... PAY TO THE ORDER OF

Cashier Merchants Bank of Toledo, Ohio,.....

Ninety-five.....Dollars,

Value received, and charge same to account of

No. 85. To V. J. Sheller, Batavia, N. Y.

Carpenter & Co.

EXPRESS C. O. D. ENVELOPE.

(22) No.....

Merchants Express Company.

$ *81.75* *for Collection.*

$..... *Charges for Return of Money.*

$..... *Total Amount to be Returned.*

From W. Belcher & Co.,
593 S. Water St.,
Hartford, Conn

On Walters & Son.,
Elmira, N. Y.

HARTFORD, CONN. *Jan. 6. 189-.*

C. O. D.

Bill to be Collected on Delivery of Goods.

☞ Return proceeds in this Envelope, CAREFULLY SEALED, without delay.

Do not deliver the whole or any part of the goods accompanying this bill until you receive pay therefor; and be careful to notice what money you receive, and, as far as practicable, send the same as received, and follow the special instructions of the shippers, if any are given on the bills. If goods are refused, or the parties cannot be found, notify the office from whence received, with names and dates, and await further instructions.

Never forward C. O. D. packages beyond destination without direct orders from the Shipper, through Shipping Office, or until the collection and charges are paid.

N. B.—In cases where the bills do not accompany goods marked C. O. D., retain package and write to the office shipping the goods.

☞ Agents must comply with the above instructions in every instance.

REMARKS.

Add return charges.

INVOICE—FILED

M. C. Marsh & Co. No. *16.*

DATE, *Jan. 1, 189-.* *$186.50.*

FOR *Hosiery and Gloves.*

ENTERED *Acct. P. B., 16.*

(File with the fold on the right-hand side. In turning invoices in a file, the upper right-hand corner, when so folded, presents a firm edge, and also the whole invoice is lifted, instead of a part.)

MEMORANDUM.

From

FIELD BROS. & MOORE,

NORRISTOWN, PA.

189 Front Street.

Dictated by Moore.

To

Elwood & Cowdery,
Lansingburgh,
N. Y.

Norristown, *June 8, 189-.*

Gentlemen:—On June 15th we purpose making three days' sight draft on you, favor Third National Bank, for Five Hundred (500.00) Dollars, on account, which please protect and oblige,

Yours very respectfully,

FIELD BROS. & MOORE.

RETAIL LEDGER—CONVENIENT FORM.

WALTER W. BENNETT, No. 86 Ninth St.

			Dr.						Cr.	
189–.					189–.					
Jan.	10	1 lb. Cheese, 16¢; 1 lb. Coffee, 38¢; 1 lb. Tea, 50¢; 1 oz. Nutmegs, 10¢,	1	14	Jan.	15	Cash,	3	5	00
		1 sack Flour, 1.50; Sugar, 1.00; Candy, 25¢,	2	75		31	Cash,	8	6	64
	12	Potatoes, 1.50; Oranges, 60¢; Lemons, 40¢,	2	40						
	14	1 C. Line, 25¢; C. Pins, 10¢; Wash-board, 40¢; B. Powder, 50¢,	1	25						
		Raisins, 30¢; Soap, 25¢,		55						
	18	Currants, 40¢; Spices, 10¢; Pickles, 40¢,		90						
	25	1 sack B. W. Flour, 85¢; 5 lb. Rice, 40¢,	1	25						
	30	Cocoanut, 50¢; Powd. Sugar, 40¢,		90						
	31	Pastry Flour, 30¢; Cinnamon, 20¢,		50						
			11	64					11	64

SALES TICKET.

Clerk's No. *32.* Letter, *W.*

Name, *Mrs. Mary Armour.*

Address, *138 West 14th Street.*

How Delivered, *Del. Wagon.*

Date, *Jan. 18, 189–.*

	ARTICLES.		AMOUNT.	
13	yds. Gross Grain,	85¢	11	05
20	" Black Lace,	60¢	12	00
1	doz. Jet Buttons,		1	25
			24	30
	16.			
	Cash Rec'd,		25	00
	Examined by *Bonner.*			

SALESMAN'S SUMMARY SHEET.

Clerk's No. *32.* Dep't Letter, *W.*

Date, *Jan. 18, 189–.*

Sales No.	Amount.		Sales No.	Amount.		Sales No.	Amount.	
16	24	30						
17	2	05						
18		40						
19	8	03						
20	1	17						
21	3	15						
22	1	06						
23	1	90						
24	5	04						
	47	10						

STATEMENT FOR OBTAINING CREDIT.

To Morgan, Trumbull & Co.,
Roanoke, N. Y.

Gentlemen:—For the purpose of obtaining credit we hereby submit the following statement in writing, showing the total amount of resources and liabilities of whatever kind, and affirm that said statement represents the entire and complete condition of our business, and that the facts stated therein are true and correct as shown by our books and from inventory.

Resources.	
Mdse., Schedule A.	11850.75
Accts. Rec., " B.	9850.25
Bills Rec., " C.	1152.00
Furniture, " D.	850.00
Horse and Wagon, Schedule E.	300.00
Cash on hand,	175.00
Total Resources.	24178.00

Liabilities.	
Bills Payable, Schedule F.	500.00
Accts. Payable, Schedule G.	1878.00
Total Liabilities.	2378.00
Present Worth.	21800.00
	24178.00

Dated, Troy, N. Y., June 1, 189–.

Perry & Co.

Partners. { James H. Perry. / Wm. G. Brown.

DAILY CASH BALANCE BOOK.

DATE.		ACCOUNT.	KIND.	NO.	RECEIVED. MDSE.	RECEIVED. ON ACCT.	PAID. GENERAL.
189–.							
Jan.	1	Balance,	Third Nat'l, N. Y.,	875		1000 00	
		Deposited,	per B. B.,				900 00
		Mdse., S. B., 13	J. W. Green's check,	154	18 75		
		Moses Bailey, on acct.,	Cash, 100.00 Draft, 100.00	187		200 00	
		Paid rent, 1 mo.,	Cash,				50 00
		Mdse., S. B., 14	Cash,		12 25		
		MEMO. No. 154, 18.75 No. 187, 200.00 — 218 75 Currency, 62.25	Mdse., Total,		*31 00*		
						31 00	
		Balance	*counted,*				*281 00*
						1231 00	1231 00
Jan.	2	Balance,	In safe,			281 00	
		Mdse., S. B., 142	Check,	856	21 80		
						21 80	
		Paid, per Expense Book,					12 28
		Suspense,	*Cash over,*			*10 50*	
		MEMO. No. 856, 21.80 No. 154, 18.75 No. 187, 200.00 — 240.55 Currency, 60.47	*Balance*	*counted*			*301 02*
						313 30	313 30
Jan.	3	Balance,	In safe,			301 02	
		Mdse., S. B., 18	Omitted on 2d,		10 50		
						10 50	
		Suspense acct.,	*Error 2d, found,*				*10 50*
		Green & Co., on acct.,	Check, 162,			100 00	
		MEMO. No. 826, 21.80 No. 154, 18.75 No. 187, 200.00 No. 162, 100.00 — 340 55 Cash, 60.47	*Balance*	*counted,*			*401 02*
						411 52	411 52
Jan.	4	Balance,	In safe,			401 02	
		Deposited,	Cash Book, 18,				300 00

DEPOSITOR'S PASS BOOK.

THE UNION BANK IN

189–.			
May	1	Disct. D. & W.,	1476 75
	5	Cash,	248 75
	8	C.,	146 50
	10	C.,	175 25
	13	C.,	280 00
	15	Coll., J. C. Morse,	875 50
	20	Cash,	250 70
	31	C.,	150 00
			3603 45

ACCT. WITH DUNN & CO.

189–.			
May	1	200^{80}, 15, 16^{22}, 5, 8^{25}, 9,	254 27
	2	500, 85^{10}, 28^{60}, 75^{13}, 16^{28},	705 11
	5	200, 145^{50}, 141^{75}, 20, 16^{90},	524 15
	8	162^{80}, 33^{40}, 10,	306 20
	15	225, 88^{12}, 45^{19}, 16^{42},	374 73
	20	150^{25}, 186^{29}, 42^{17}, 18^{28},	396 99
	31	149^{92}, 100^{08},	250 00
June	1	162^{18}, 16^{82}, 14^{50},	193 50
		32 Vouchers ret'd,	3004 95
		Balance,	*598 50*
			3603 45

ACKNOWLEDGMENT OF REMITTANCE AND ORDER.

WHOLESALE GROCERS.
142 RIVER STREET.
Mason's Baking Powder,
HARPER'S YEAST,
YOST'S SPICES.

Allentown, Pa., Oct. 8, 189–.

Messrs. E. L. BANNISTER & Co.,
Coleman, Pa.:

Gentlemen:—Your favor of 5th inst., covering draft on Eleventh National Bank, New York, for Fourteen Hundred Ninety-three and $\frac{86}{100}$ Dollars, is to hand and passed to your credit with thanks.

Your order for 25 doz. ×××× Oysters is entered, and the goods will be forwarded early in the week.

Awaiting a continuance of your favors, we remain,

Respectfully yours,

HOOD, YOST & Co.,
Cullum.

LETTER INTRODUCING AN AUDITOR.

NEW YORK, May 14, 189–.

L. W. Fisher, Agent,
Richmond Office,
Richmond, Va.

Dear Sir:—This will introduce to you our Mr. Edw. E. Young, general auditor for the Company, who calls on you for the purpose of auditing the books of our Richmond office for the year ending May 1, 189–, as per your last statement. Please turn over to him all books, papers and other records pertaining to the business, and tender him every courtesy and assistance.

Very respectfully,

THE NOVELTY MAN'F'G. Co.,
E. G. Smalley, *Treas.*

BILL OF SAMPLES.

DENVER, *Jan. 1, 189–.*

Mason & Co.,

BOT. OF ELWOOD BROS.,
Dealers in Dry Goods.

	ARTICLES.	AMT.		TOTAL.	
	$\frac{1}{12}$ doz. each, Samples,				
	876	8	00		
	214	7	50		
	318	5	50		
	226	9	50		
	375	18	00		
	918	12	00		
	514	17	60		
	275	6	50		
	276	7	00		
	314	8	50		
	954	11	50		
	625	17	50		
	12 J	129	10	10	76

Samples less than dozens are sent out either $\frac{1}{12}$, $\frac{1}{6}$ or $\frac{1}{4}$ dozen each, in uniform lots. Bills are rendered as above, and $\frac{1}{12}$, $\frac{1}{6}$ or $\frac{1}{4}$ is taken as the case may be.

DRAFT TICKET.

The Union Bank.

Rockland, N. Y., Jan. 3, 189–.

DRAFTS WANTED.

ON	IN FAVOR OF	AMT.	
N. Y.	*Ourselves,*	*180*	*40*
N. Y.	*N. P. Mason,*	*150*	*60*
Chi.	*Ourselves,*	*400*	*00*
	Our No. 842 check herewith.	*731*	*00*

LETTER OF ADVICE.

CUNNINGHAM & CURTIS,

153 & 155 Duane St.,

P. O. Box, 2553.

New York, Jan. 15, 189–.

Messrs. Creed & Wilson,

Rochester, N. Y.

Dear Sirs:

Referring to our statement of account rendered the 1st inst., we beg to notify you that we have this day drawn on you at ~~one~~ day's sight, to the order of Cashier of Nassau Bank, for

$ 750 $\frac{00}{100}$

Please honor, and oblige,

Yours truly,

CUNNINGHAM & CURTIS,

Per J. H. C.

ACKNOWLEDGMENT.

OFFICE OF

CUNNINGHAM & CURTIS, **CASHIER'S DEPARTMENT.**

Nos. 153 & 155 Duane Street,

P. O. Box 2253.

New York, July 15, 189–.

Messrs. Creed & Wilson,

Rochester, N. Y.

Dear Sirs:

We are in receipt of your favor of the 12th inst., inclosing Twenty-two and $\frac{7}{100}$ Dollars, in full of bill July 7, for which we return thanks, and solicit renewed orders.

Yours respectfully,

CUNNINGHAM & CURTIS,

Per J. H. C.

$22.$\frac{7}{100}$

ARTICLES OF ASSOCIATION.

PREAMBLE.

For the purpose of organizing for the manufacture and sale of Gloves and Mittens, we, the undersigned, citizens of the State of New York, hereby enter into the following Articles of Association under the Laws of the State of New York of 1854, 1867, and 1885, governing unincorporated Joint Stock Companies:

ARTICLE I. The name of this association shall be "The Daniel Dunning Glove Company."

ARTICLE II. The office and factory of the association shall be located in the city of Glove City and State of New York.

ARTICLE III. The object of the association shall be to manufacture Glove Leather, Gloves and Mittens, and sell them to the retail and jobbing trades.

ARTICLE IV. The capital stock of this association shall be One Hundred and Fifty Thousand Dollars, to be divided into Fifteen Hundred Shares, of One Hundred Dollars each.

ARTICLE V. The number of directors in this association shall be seven, as provided by statute, and shall be elected annually.

ARTICLE VI. The officers of this association shall be seven directors, or trustees, a president, secretary and treasurer, all of which shall be elected on the second Tuesday after the first Monday in January of each year after the first election. Said election shall be by ballot, each stockholder being entitled to one vote for each share held by him, provided that all assessments due upon said stock shall have been paid.

ARTICLE VII. This association shall continue for the period of fifty years, unless sooner dissolved by a court for fraud or mismanagement.

ARTICLE VIII. The stockholders may, by a vote at any annual election, devolve upon the president, secretary, and treasurer, the sole management of their business.

ARTICLE IX. The death of a stockholder or the assignment of his stock, shall not work a dissolution of the association, but shall continue as before.

ARTICLE X. That branch of law governing partnerships as regards the liability of stockholders, is recognized by this association, and nothing in these articles of association shall be construed as having organized as an incorporated Joint Stock Company.

In witness whereof, we have hereunto affixed our hands and seals this 1st day of Nov. A. D. 189–.

(*Endorsed on Back.*)	
Filed for record this 2d day of Nov. 189–, at 12 o'clock noon.	DAN'L DUNNING, [*Seal*]
M. G. TRACY,	MARK STOVER, [*Seal*]
County Clerk,	E. L. GRAVES, [*Seal*]
Merriam Co., State N. Y.	M. L. ENSIGN, [*Seal*]
	JAS. T. ALLEN, [*Seal*]
	ERASTUS GREEN, [*Seal*]
	MYRON GRIFFIS, [*Seal*]
	FRANK T. LADD, [*Seal*]

LETTER WITH A REMITTANCE.

OFFICE

LONG & KING,

MEN'S FURNISHINGS.

Springfield, Mass., *July 3, 189–.*

To *Monroe, Jones & Co.,*

Glove City, N. Y.

Gentlemen:—Enclosed we hand you draft No. 869 on Third National Bank, New York, for Five Hundred Thirty-seven and 2/100 (537.02) Dollars, in settlement of the following:

Invoice Jan. 5th, Oct. 1, 6/10—5/30, 4 mos. net,	*580.00*
Discount, Oct. 10, 6 per cent,,	*34.80*
Net amt. due Oct. 10th,	*545.20*
Less interest, 3 mos., 1½ per cent.,	*8.18*
Due as per draft enclosed,	*537.02*

Please receipt for same, and oblige,

Yours respectfully,

LONG & KING.

No. 8.

Date, Nov. 1, 18–

Shares, 100.

Installment, 25%,

$2,500.00.

Received,

M. Stover.

PERFORATED LINE.

No. 8. Shares, 100.

INSTALLMENT SCRIP.

GLOVE CITY, N. Y., Nov. 1, 189–.

This is to Certify that Mark Stover is the holder of One Hundred shares of stock in

The Daniel Dunning Glove Company,

of Glove City, N. Y., upon which he has paid Twenty-five Dollars per share. A full Certificate will be given when all the installments shall have been paid and this voucher is surrendered

M. L. Ensign, Treasurer. Daniel Dunning, Pres.

NOTICE OF OVERDRAFT.

THIRD NATIONAL BANK.

Rochester, N. Y., Aug. 18, 189–.

Mr. Henry W. Goddard,

Your account appears to be overdrawn —— $162.50.

Please bring in your book to be written up and deposit the amount of overdraft.

M. G. Barnes, Cashier.

LETTER QUOTING PRICES ON GOODS.

MEMORANDUM.

From

GREEN & POND,

In answer to yours of Jan. 16, 189–.

116 Chestnut Street,

PHILADELPHIA.

To

Mercer, Scott & Co.

Tomhannock,

N. Y.

PHILADELPHIA, PA., Jan. 19th, 189–.

Gentlemen: — We quote you to-day, F. O. B.:

Akron Cement, per brl.,	2.25
Star Bros. Water Lime, per brl.,	1.60
Pulv'd Fire Clay, in barrels, per lb.,	5¢

The above are bottom prices. There are indications that Akron Cement will advance in price as soon as the season opens.

Shall be pleased to have you command us for any amount of credit that you may wish, and hope to receive an order soon.

Very respectfully,

GREEN & POND,

per Collins.

BUSINESS FORMS.

BILL.

Jackson, Mich., July 24, 188-

Mr. John H. Hammond

Bot. of Wm. E. Penning & Bro.

364	lbs. P. N. Mutton	9¢	32	76
493	" C. D. Beef	10¢	49	30
240	" B. P. Pork	8¢	19	20
			101	26

Received payment

Wm. E. Penning & Bro.,

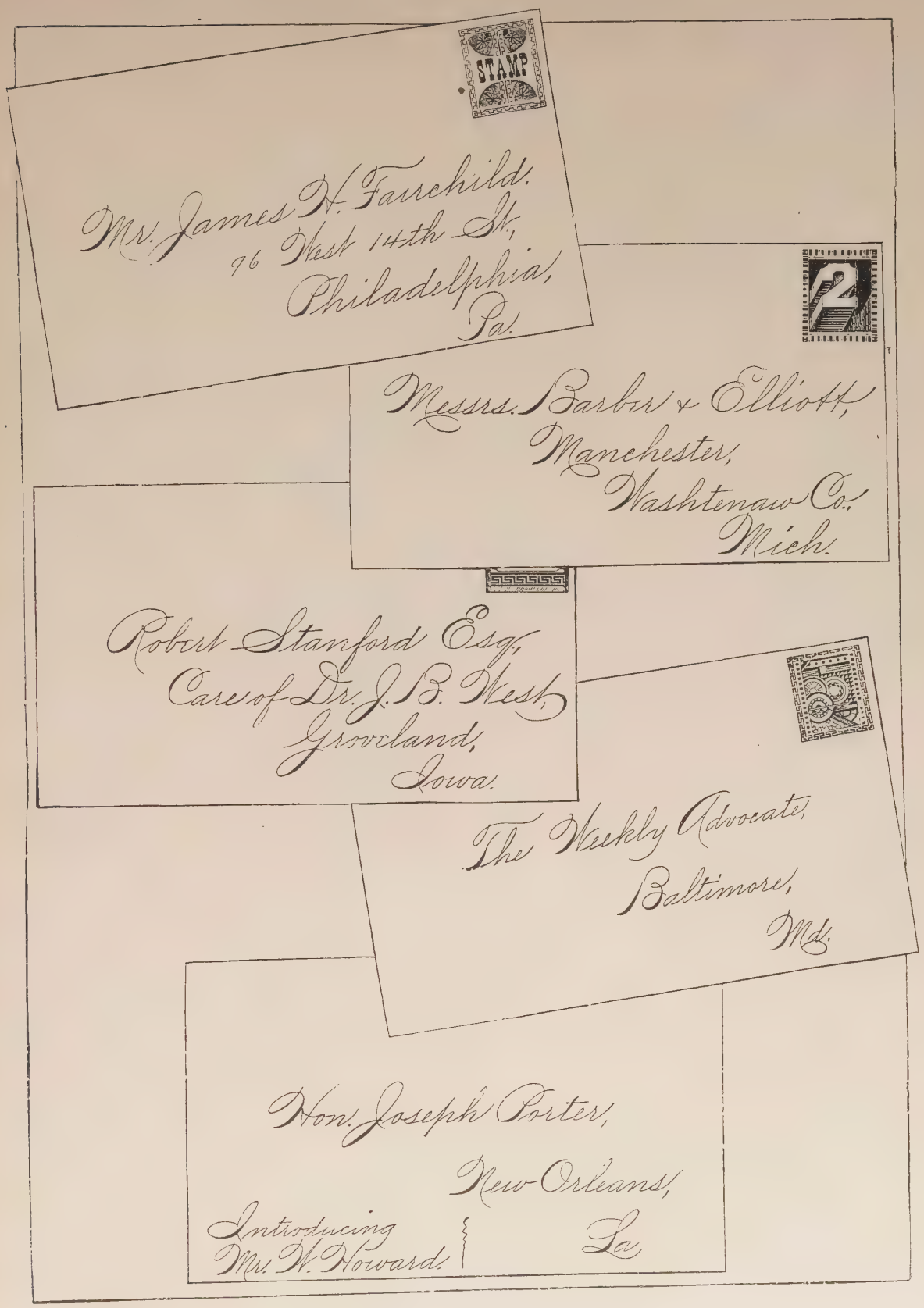
per J. H. P.

ACCOUNT SALES.

Acct. Sales of 1000 Bu. Barley for J. E. Young

188-					
July	24	Sold for cash			
		1000 bu. Barley	90¢		900
		Charges			
"	21	Freight		60	
"	24	Storage		15	
		Commission 2% on sales		18	
					88
		J. E. Young's net proceeds			812

Omaha, Neb., July 24, 188-


STAMP
Mr. James H. Fairchild.
76 West 14th St,
Philadelphia,
Pa.
Messrs. Barber & Elliott,
Manchester,
Washtenaw Co.
Mich.
Robert Stanford Esq,
Care of Dr. J. B. West,
Groveland,
Iowa.
The Weekly Advocate,
Baltimore,
Md.
Hon. Joseph Porter,
New Orleans,
La
Introducing
Mr. W. Howard.

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S P E C I A L N O T I C E T O S T U D E N T S.

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Each student is expected to take the Friday afternoon Spelling Exercise, which is given immediately after roll-call, and write it on blanks provided for that purpose.

Before roll-call the following blanks must be filled:-

Write name in space at top of sheet.

2nd- Write number of lesson.

3rd- Date.

Any alterations made in the words will be considered as errors.

Full attention must be given as the words will be pronounced but once.

After the words are written, students will change papers, when the teacher will properly spell each word and all misspelled words must be checked thus ✓ before the word.

The student checking must write his name in the second blank space opposite "corrected by" and the "per cent spelled correctly" in the proper blank space, then hand the blank to the teacher, who, after examination, will return it to the owner.

All misspelled words must be corrected by writing them in the 3rd column, numbering them to correspond with the numbers in the list.

The signature of parent or guardian must be written in the blank space at the bottom of the paper and the exercise returned by 1:30 P. M. the following Monday. If not living with parent or guardian, signature must be obtained from the office of the College.

By order of,

E. P. HEALD & CO.

INSTRUCTIONS TO STUDENTS.

1. The rooms will be open for study every week day, except Saturday, from 8½ o'clock A. M. to 4 P. M.

2. Students should so arrange their time as not to be present at the College or on Post Street, between Kearny and Montgomery Streets, before the opening of the school-rooms.

3. The doors to school-rooms will be closed at the commencement of each session, as follows: at 9 o'clock A. M. and 1½ P. M.

4. Roll will be called immediately after the doors are closed.

5. Recitations will commence immediately after roll-call, and will continue in the morning until 12 o'clock M.; in the afternoon until 4 o'clock P. M.

6. Pupils in the rooms previous to roll-call, either at the forenoon or afternoon sessions, will observe the same regulations with reference to deportment, as after roll-call.

7. Pupils outside of the city, arriving by boat or rail, when it is *impossible* for them to reach the school-room in season for roll-call at the morning session, will have appointed a specified time, and if present within that time, they will not be considered tardy. After that time and at all other roll-calls, if not present they will be marked tardy.

8. Tardiness at any session of school, will be permitted only for causes beyond control of the student. Should this unavoidably occur, the pupil must present a written excuse from parent or guardian.

9. Pupils residing with parents or guardians, or within reach of them, if absent any one school session, or more, must bring written note or excuse for such absence from them before being allowed to resume their studies.

10. Pupils having parents or guardians, but not residing with them, if absent from any school session, or tardy at any session, must write out their excuse in proper form, forward it to parent or guardian to be countersigned, and return it to their teacher at the earliest possible moment.

11. Pupils having no parents, or being in charge of no person, will be held personally responsible, and if absent or tardy at any session, must write out their own excuse in proper form, and present it to their teacher before resuming work.

12 If pupils are absent from school at any time without having given a written notice of such intended absence, the time they are thus out of school will be their own loss.

13. Absence from school for two consecutive days will subject the student to the loss of his seat, unless an excuse is sent to the college within that time.

14. A pupil when writing an excuse to leave his seat, will write it in ink, and give the date and time of the day, state where he wishes to go, and give the number of minutes he wishes to be out of his seat.

15. A pupil when writing an excuse to communicate, will write it in ink, and give the date and time of day, the number of minutes he wishes to communicate, to whom, and for what purpose; and during such communication he must refrain from all loud talking.

15. Pupils are required to be orderly and prompt in passing to and from classes.

17. Students are requested, as far as possible, to procure books and stationery in the morning, before the commencement of school, at noontime, or at the close of school.

18. Any student cutting, or in any disfiguring, any article of furniture belonging to the College, marking or writing on the desks, walls or woodwork, in any of the rooms or passages of the institution, will be subject to expulsion.

19. Ignorance of the rules and regulations of the institution, will in no case serve as an excuse for non-observance.

20. Pupils are particularly reminded that the school-rooms are open for work only, this being for their best interests; therefore, pupils not at work, are out of their line of duty, and must expect correction for their own good

NOTE.—The word "guardian" as used in all rules and regulations of the College, is understood to mean any person who may, directly or indirect y, have charge of any pupil.